

IRS Releases Revised Position Paper on Corporate Governance for Exempt Organizations

In a continuing effort to provide guidance to exempt organizations, the IRS has posted new updates on certain positions regarding the governance of exempt organizations (“Position Paper”). The Position Paper is important in many regards, but most because it updates and clarifies the IRS’ position on corporate governance for exempt organizations, and serves as an update and expansion of the February 2007 discussion draft of “Good Governance Practices” for charitable organizations, which has now been withdrawn from the IRS website.

In the position paper, the IRS specifically focused on six areas which include:

- Mission
- Organizational Documents
- Governing Body
- Governance and Management Policies
- Financial Statements and Form 990 Reporting and
- Transparency and Accountability

We suggest that this Position Paper be reviewed by all exempt organizations. The Position Paper is contained within the IRS publication “Life Cycle of an Exempt Organization-Public Charities”, and is available on the IRS website at www.irs.gov/pub/irstege/governance_practices.pdf.