



The public and the government are demanding more and more accountability from organizations like yours. Are you ready?

NON-PROFIT ORGANIZATION COMPLIANCE SERVICES

The Right Firm Matters...

It is important that the firm you select to perform audits or other services for your not-for-profit organization is qualified and experienced like White, Nelson, a member of the American Institute of Certified Public Accountants' (AICPA) Governmental Audit Quality Center. Member firms are held to standards that demonstrate a commitment to audit quality and accuracy when performing audits, compliance testing, single audit services, 403b audits, and internal control studies. Further, as an independent alliance member of BDO Seidman, White, Nelson has access to resources and information from BDO's Institute for Non-profit Excellence, which specializes in meeting the needs of the non-profit sector and collaborating with alliance firms to develop innovative, practical account and operations solutions for organizations like yours.

Accountability Is Key for Non-Profits

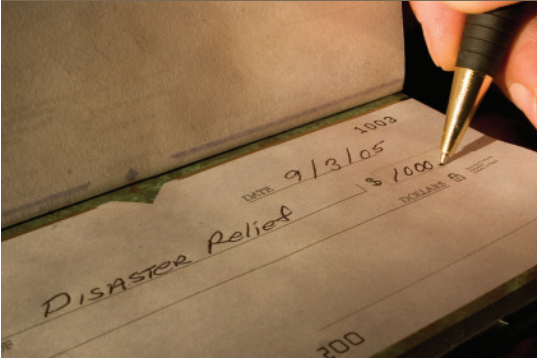
With the number of audits involving non-profits rising year after year, it has become clear that your organization, its structure, and its internal controls must be able to withstand the scrutiny of the IRS. The current recession notwithstanding, overall donation levels are increasing, with over \$300 billion moving through non-profits annually. This number is resulting in increased scrutiny from the IRS and other governmental agencies.

With the increased attention from the IRS, it is critical that your non-profit be ready to withstand a very close review. The required annual filing with the IRS, Form 990, brings with it a myriad of challenges that your organization will be required to meet. Form 990 looks at just about every aspect of your organization's operation, from larger issues like compensation approaches and board formation to more detailed items like reporting and record retention. So just as Sarbanes-Oxley (SOX) created a significant amount of pressure for standard for-profit corporations, so too will the pressure be mounting for non-profits.

Our firm understands that there is a lot at stake. In this case, the IRS has levied penalties and fines for organizations failing to comply. But even more important is the potential risk of a non-profit damaging its reputation among the donor community or having the distraction of a scandal when it should be focused on its mission. On the surface, non-profit compliance is about accountability and transparency, but in the end it comes back to being able to focus on your mission and the people you strive to serve.

non-profit organization audit services

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Circular A-133 and Governmental auditing standards, sometimes referred to as the "Yellow Book," presents so many compliance areas needing attention that the task is too great for most sole practitioners or even small CPA firms to properly address.

In the end, one of the most important assets your non-profit organization has is the trust of its supporters, donors and the public. This trust is critical when it comes to your organization's ability to raise funds and build awareness for its cause. These same supporters and donors are expecting more and more accountability from organizations like yours. Meeting this expectation of transparency and accountability is nearly impossible without the help of an experienced accounting firm.

White, Nelson & Co. is one of Orange County's largest local Certified Public Accounting and Tax firms.

What is really at risk?

- **Fraud & Mismanagement:** Fraud is the most common crime perpetrated on non-profit organizations. Forgery, embezzlement and mismanagement pose very real threats to your organization. Take the necessary steps to lower the chances of it happening.
- **Tax Liability:** A lack of compliance with IRS guidelines may result in a significant tax liability.
- **The Future Ability to Raise Funds:** Your organization's ability to raise funds could be directly impacted by wrongdoing or negligence on the part of management.
- **Tax-Exempt Status:** Non-profit status is a privilege, not a right, that the IRS can revoke at any time for a variety of reasons. Make sure your organization's structure, management and board oversight are in line with IRS guidelines.
- **Funding:** A lack of compliance with agency funding requirements could cause termination of financial support and grants.
- **Your Organization's Mission:** In the end, it is all about your mission and the people your organization serves. So protecting your organization and its ability is about more than compliance with some IRS form.

Take the time to meet with a professional from White, Nelson to discuss your organization and its accounting needs.

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