

# Nonprofit Reporting Requirements

## Introduction

Reporting requirements for section 501(c) tax-exempt organizations are essential for fostering trust and transparency. The Council on Foundations supports disclosure that serves the long-standing partnership between philanthropy and the public. At the same time, mandatory public disclosure of certain information could endanger nonprofits, their donors, and the communities they serve, all while needlessly imposing administrative burdens on charities and serving little to no public interest.

While the Council firmly opposes mandatory public disclosure of donors, we support appropriate, private disclosure to the federal government to ensure the sector remains a trusted partner in advancing the greater good.

## Forms 990

Section 501(c) tax-exempt organizations must file an annual audited return with the IRS detailing their financial activities, either a Form 990 (with simplified versions available for smaller organizations) or a Form 990-PF (for private foundations). Once filed, these forms are generally available to the public with certain information redacted.

## Current Law and Proposed Changes

Current Law	Proposed Changes
<b>Donor Disclosure</b> <ul style="list-style-type: none"><li>• <b>Private foundations</b> must disclose the name and address of any contributor to the organization on their Form 990 Schedule B.</li><li>• <b>Public charities</b> must privately disclose the name and address of any substantial contributor (over \$5,000 in a tax year) to the organization on their Form 990 Schedule B. This information is redacted on the charity's public Form 990.</li></ul>	<b>American Donor Privacy and Foreign Funding Transparency Act</b> <a href="#">H.R. 8293</a> <ul style="list-style-type: none"><li>• Requires 501(c) organizations to report contributions from foreign nationals, aggregated at the country level, and requires the Department of the Treasury to create a searchable database of this information.</li></ul>

Current Law	Proposed Changes
<p><b>Foreign Grant Reporting</b></p> <ul style="list-style-type: none"> <li>• <b>Private foundations</b> must publicly report the name, address, type of organization, and contribution amount of all foreign grant recipients. For grants to foreign organizations to be treated as qualifying charitable distributions, a private foundation must engage in either expenditure responsibility (verifying that the organization will use grant funds for charitable purposes) or equivalency determination (verifying that the organization is equivalent to an IRS-recognized public charity).</li> <li>• <b>Public charities</b> must report the region of the <b>foreign</b> grant recipient and the total grant amount to that region on their Form 990 Schedule F. They are not required to publicly report the name and address of the grant recipient.</li> </ul>	<p><b>Foreign Grant Reporting Act</b></p> <p><u><a href="#">H.R. 8290</a></u></p> <ul style="list-style-type: none"> <li>• Requires all 501(c) organizations to publicly report the name and address of all grant recipients, aggregate grant amount to foreign recipients, and other information. It would also require 501(c) organizations to include the same information for subgrants or “indirect contributions.”</li> </ul>

**More Information**

To learn more, contact the Council on Foundations Government Affairs team at [govt@cof.org](mailto:govt@cof.org).