



## Guiding Principle

Nonprofits have an obligation to act as responsible stewards of all financial resources. This includes complying with all legal and financial requirements, and adherence to sound accounting principles that produce reliable financial information, ensure fiscal responsibility and build public trust.



## Legally Required Practices

### Filing and Reporting

- Nonprofits must submit the relevant version of the IRS Form 990<sup>1</sup> to the IRS annually. ●
- Nonprofits must be aware of the federal rules for tax on unrelated business income of exempt organizations and file IRS Form 990-T<sup>2</sup> if the organization is subject to the tax<sup>3</sup>.
- Board members must review IRS Form 990 prior to submission to the IRS and it must be signed by the current Board president, vice president, treasurer, assistant treasurer, chief accounting officer or other corporate officer (such as a tax officer) who is authorized to sign.
- Nonprofits must make the following information publicly available, unless specifically exempted: applicable IRS Form 990 for three most recent years (Schedule B notwithstanding); IRS Form 1023; application for exemption; any documents submitted with the application; any letters or documents issued by the IRS with respect to the application.
- Nonprofits must submit a copy of their audit report to the New Mexico Office of the Attorney General<sup>4</sup>.
- Nonprofits that exist in New Mexico or solicit donations in New Mexico must register and file annual reports with the New Mexico Office of the Attorney General, unless exempted, which includes submitting a complete copy of the relevant version of IRS Form 990. ●
- Nonprofits must update their registration with the New Mexico Office of the Secretary of State annually. ●

#### Filing Deadlines:

IRS: 15th day of the 5th month (4 ½ months) after the close of the nonprofit's fiscal year, unless an extension is filed.

NM Office of the Attorney General: 6 months after the close of the nonprofit's fiscal year, unless an extension is filed.

NM Office of the Secretary of State: 15th day of the 5th month (4 ½ months) after the close of the nonprofit's fiscal year, unless an extension is filed.

### Financial Accountability

- Nonprofits must comply with all financial regulations, such as withholding and payment of federal, state and payroll taxes, and manage all funds according to their restrictions.
- Nonprofits with total revenue in excess of \$500,000 in the previous fiscal year must have an audit conducted by an independent Certified Public Accountant in accordance with the Generally Accepted Accounting Principles (GAAP).
- Nonprofits that expend more than \$750,000 in federal funds for their operations in a single year must obtain a single audit from an independent Certified Public Accountant.