

Frequently Asked Questions

- **Why does financial information in the Form 990 differ from that shown in the College's annual report, whether Schedules A to F or the audited financial statements?**

The IRS is very specific about how information is required to be submitted on the Form 990. In many key respects, the instructions for reporting revenues and expenses are different from Generally Accepted Accounting Principles (GAAP), which governs the presentation and reporting of the College's audited financial statements, and the College's own budget policies and practices, which govern what is reported in Schedules A through E of the annual report. Depending on what information you seek to learn, and for what purpose, you may find that one of these three reports is more helpful. The Supplemental Information pages of the 990 and the Notes to the audited financial statements are intended to provide additional disclosure that may help you better understand what is reported in the main filing statements, and on what basis.

- **Anything to keep in mind when looking at the College's compensation disclosure in the Form 990?**

First, the compensation of the President and her senior staff are set by the Compensation Committee of the Board of Trustees, which is also responsible for reviewing their performance. The Investment Committee is responsible for assessing the performance of the employees of the Investment Office, and for setting their compensation. Both committees follow written policies and practices in setting and reviewing compensation, and rely on market benchmarks.

Second, the compensation reported to the IRS reflects taxable pay and other compensation for the calendar year that ends within the fiscal year being reported. So for example, the compensation reported in the 990 for FY12 is actually the reportable compensation for calendar year 2011. Since many employees start or end their employment at the College during the summer, it is worth considering that the 990 may be reporting compensation for only part of the year for certain individuals.

Finally, some of the College's compensation programs and policies, including some retirement programs, extend over multiple years. IRS rules require that certain benefits be recognized for tax purposes all in one year, which can sometimes result in reported compensation that is in excess of the employee's regular annual compensation.

- **Where can I learn more about the information that is disclosed on the College's 990 statement and what it means?**

The IRS publishes a guide to completing Form 990 which includes detailed, line by line instructions <http://www.irs.gov/uac/Current-Form-990-Series-Forms-and-Instructions>

A guide that is specifically intended for readers of 990s, rather than preparers, can be found at <http://www.npccny.org/new990/new990.htm>.

Two other sources of information on using 990s to evaluate non-profits can be found at <http://www.guidestar.org/rxg/help/faqs/form-990/index.aspx> and <http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=35#.UuQWWBAo670>