

## 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 as to how they require information to be submitted on the Form 990. And in many key respects, the instructions for reporting revenues and expenses are different from Generally Accepted Accounting Principles (GAAP). These principles govern the presentation and reporting of the College's audited financial statements, as well as the College's own budget policies and practices, which in turn govern what is reported in Schedules A through E of the annual report. Depending on the information you seek, and the purpose to which it will be put, you may find one of these reports more helpful than the others. Moreover, the Supplemental Information pages of the 990 and the Notes to the audited financial statements will provide additional disclosure, which 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 disclosures 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 figures reported to the IRS reflect taxable pay and other compensation for the calendar year that ends within the fiscal year (which runs from July 1 through June 30) being reported. So, for example, the compensation reported in the 990 for fiscal year 12 (2011-2012) 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 all in one year for tax purposes, which can sometimes result in reported compensation that appears to be 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, is also available:  
<http://www.npccny.org/new990/new990.htm>.

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