



# HANDOUT 5

## PRIVATE FOUNDATION SCHEDULES AND OTHER INFORMATION

### REQUIRED PRIOR TO THE AUDIT EXAMINATION AND TAX PREPARATION

*For the Year Ended December 31, 20xx*

---



#### **Confirmations** (THESE CONFIRMS SHOULD BE COMPLETED AND RETURNED TO US FOR MAILING)

1. An investment confirmation is to be prepared for each institution where investments were maintained during the year ended December 31, 20xx. (see enclosure)
2. A legal representation letter is to be sent to each law firm used by PF during the year ended December 31, 20xx. (see enclosure) Please note that the enclosure we have provided assumes there are no pending or potential litigation matters that management is aware of. If there is pending or potential litigation matters of which you are aware, please let us know and we will revise the confirmation letter accordingly.
3. A copy of the management representation letter will be needed and dated as of the last date of our fieldwork. We will provide you with an example letter near the end of our fieldwork.

#### **General Information**

1. A copy of the financial statements for the year ended December 31, 20xx including statement of financial position, statement of activities, schedule of functional expenses and working trial balance. Please also provide us with a copy of the working trial balance on diskette, in excel format.
2. Copies of all new contribution letters received, grant agreements and contracts in effect during the year ended December 31, 20xx and subsequent to year-end.
3. Copies of all new equipment leases, building space leases, notes payable, line of credit and other agreements in effect during the year ended December 31, 20xx or signed subsequent to year-end.
4. Copies of any changes/amendments to PF's articles of incorporation, by-laws, chart of accounts, accounting manual, or personnel policy manual.
5. Minutes of each Board of Director's meeting during the year ended December 31, 20xx and subsequent to year-end through the date of our fieldwork. Please also include any minutes for program board meetings as well as all attachments referenced in any of the minutes.
6. A copy of the budgets for the year ended December 31, 20xx and the year ending December 31, 20xy.
7. Copies of the quarterly Federal Forms 941 for the year ended December 31, 20xx.
8. Copies of agreements for any new program related investment (PRI) programs begun during the year ended December 31, 20xx or modifications to PRI programs that were begun in prior years.
9. Copies of each of the K-1 statements (or the foreign equivalent thereof) for each partnership and limited liability company in which PF had an interest during the year ended December 31, 20xx. Additionally, for each of the foreign partnerships and limited liability companies, please request that they provide information on PF's capital balance as of December 31, 20xx. (The foreign equivalent of the Form K-1 does not disclose the partner's year-end capital balance.)



**HANDOUT 5**  
**PRIVATE FOUNDATION**  
**SCHEDULES AND OTHER INFORMATION**  
**REQUIRED PRIOR TO THE AUDIT EXAMINATION AND TAX PREPARATION**  
*For the Year Ended December 31, 20xx*

---



**General Information (continued)**

10. Copies of the December 31, 20xx trust account statements for each of the charitable remainder trusts in which PF has an interest. Please also have the original December 31, 20xx statements available for our review.
11. A complete copy of the last payroll report in 20xx and the first payroll report in 20xy.

**Audit Schedules** (Please provide schedules in electronic format wherever feasible. Any hard copies provided should be copies that Audit Firm may keep for our work papers)

1. A fluctuation analysis comparing balances as of December 31, 20xx to the balances as of December 31, 20xx will be provided. We will then ask you to provide explanations for the variances/changes in selected account balances.
2. A bank reconciliation and bank statement for each cash and cash equivalent bank account (including the Israel account) as of December 31, 20xx. Original December 20xx and January 20xy bank statements should also be available for our review.
3. An investment schedule for each investment account detailing the cost basis, market value as of December 31, 20xx and 20xx, purchases, sales, realized and unrealized gains and/or losses, interest income, dividend income and capital gains/losses for the year ended December 31, 20xx. Please be certain to separately identify interest and dividend earnings on cash and cash equivalents vs. interest and dividend earnings on investments. (Such information is needed for both financial and tax reporting.)
4. A schedule of all capital contributions made to interests in partnerships and limited liability companies during the year ended December 31, 20xx including the date and amount of each capital contribution. Please also identify any remaining capital commitments that, pursuant to the existing partnership interest agreement, may be called in future years.
5. A summary schedule of the 20xx activity for each of PF's investments in partnerships and limited liability companies indicating the balance as of December 31, 20xx, capital contributions, distributions and partnership income, and balance as of December 31, 20xx reconciled to the general ledger.
6. A schedule of interest/dividends receivable as of December 31, 20xx.
7. A listing of all cash receipts including date received, customer and amount from January 1, 20xy through the first day of audit fieldwork. We will also need a schedule of all cash receipts received during audit fieldwork.



# HANDOUT 5

## PRIVATE FOUNDATION SCHEDULES AND OTHER INFORMATION

### REQUIRED PRIOR TO THE AUDIT EXAMINATION AND TAX PREPARATION

*For the Year Ended December 31, 20xx*

---

#### Audit Schedules (continued)

8. A detailed schedule of fixed assets as of December 31, 20xx. This schedule should indicate depreciation method, depreciable lives, cost as of December 31, 20xx and 20xw, accumulated depreciation as of December 31, 20xx and 20xw, depreciation expense for the year ended December 31, 20xx, and book value as of December 31, 20xx. Please also identify any assets sold or disposed of during the year ended December 31, 20xx and the related sales price, if applicable.
9. A schedule of accounts payable as of December 31, 20xx, including date subsequently paid.
10. A schedule of accrued leave, by employee, as of December 31, 20xx.
11. A listing of all cash disbursements including date paid, vendor and amount from January 1, 20xy through the first day of our fieldwork. We will also need a schedule of all cash disbursements made during our fieldwork.
12. A schedule of grants payable as of December 31, 20xx including grantee, date awarded, purpose of the award and date subsequently paid.
13. A schedule of the deferred tax asset/liability and excise tax receivable as of December 31, 20xx and the excise tax expense for the year ending December 31, 20xx.
14. A schedule reconciling the net asset balance as of December 31, 20xx to the balance per the December 31, 20xw audited financial statements.
15. A schedule of all grant awards, if any, received during the year ended December 31, 20xx.
16. A schedule of all grants awarded by PF to various organizations during the year ended December 31, 20xx, including the name of the recipient, address, type of award, amount, date awarded and date paid. Please specifically identify all recipient organizations which have not been classified by the IRS as a public charity exempt under Internal Revenue Code Section 501(c)(3). Please also specifically identify all recipient organizations in which an officer or director of the organization is also an officer or director of PF, including their position at both organizations.
17. For any grantees that are not 501(c)(3) public charities, please provide copies of any financial or other monitoring reports received from the grantee.
18. A schedule of all disbursements made by PF under each of the PRI programs as well as a schedule of any interest and principal payments received by PF under these programs during the year ended December 31, 20xx.
19. A reconciliation of salary expense and payroll tax expense per the Federal Forms 941 to the general ledger for the year ended December 31, 20xx.



**HANDOUT 5**  
**PRIVATE FOUNDATION**  
**SCHEDULES AND OTHER INFORMATION**  
**REQUIRED PRIOR TO THE AUDIT EXAMINATION AND TAX PREPARATION**  
*For the Year Ended December 31, 20xx*

---



**Audit Schedules (continued)**

20. A description of any self-dealing transactions with disqualified individuals such as substantial contributors, directors, officers or employees during the year ended December 31, 20xx. These types of transactions include such transactions as leasing, purchasing or selling property or other assets; furnishing or accepting goods, including office space, or services and borrowing or lending money (or otherwise extending credit). If any of these transactions were entered into, we will need specific details of the transactions including the names of the parties, the amount and nature of the transaction, the date of the transaction and the business purpose of the transaction.

**Other information which should be available to us for examination:**

1. The complete general ledger detail for the year ended December 31, 20xx.
2. Payroll, cash disbursements and cash receipts journals for the year ended December 31, 20xx.
3. Original bank statements for the year ended December 31, 20xx.
4. Deposit slips and canceled checks for the year ended December 31, 20xx.
5. Availability of invoices and other supporting documents for the expenses and revenue for the year ended December 31, 20xx.

**Schedules for the Federal Forms 990-PF, 4720, TD F 90-22.1 and State Form** (Where feasible, please also provide us with electronic copies of these schedules.)

1. A schedule listing the officers, directors and trustees for the year ended December 31, 20xx. This schedule should include the officer's name and title, average hours per week devoted to position, compensation (Medicare wages), employer contributions to employee benefit plans (this includes PF's contributions to pension plans as well as any payments PF makes for health insurance, disability insurance, etc.) and expense accounts and other allowances, if applicable.
2. A list of all employees, other than officers and directors, paid more than \$50,000, including their name, title, average hours per week devoted to position, compensation (Medicare wages), contributions to employee benefit plans (this includes PF's contributions to pension plans as well as any payments PF makes for health insurance, disability insurance, etc.) and expense accounts and other allowances, if applicable, for the year ended December 31, 20xx.
3. A schedule of all persons and corporations paid more than \$50,000 for professional services rendered during the year ending December 31, 20xx including name, address, type of service performed and amount.
4. A schedule detailing the program related expenses per the general ledger and financial statements (accrual basis) to the cash basis.



# HANDOUT 5

## PRIVATE FOUNDATION

### SCHEDULES AND OTHER INFORMATION

#### REQUIRED PRIOR TO THE AUDIT EXAMINATION AND TAX PREPARATION

*For the Year Ended December 31, 20xx*

---



#### Schedules for the Federal Forms 990-PF, 4720, TD F 90-22.1 and State Form

5. A schedule detailing the monthly opening and closing bank statement balances for each cash, cash equivalent and investment account for the twelve months ended December 31, 20xx. (Please be certain to include the Israel cash account.) For the investment accounts, please distinguish the monthly balances between cash, cash equivalents and investments.
6. A schedule of grants and contributions paid to other organizations during the year ended December 31, 20xx (i.e., a cash basis schedule of grant expense for the year ended December 31, 20xx). Please include the name, address and tax exempt status of the recipient as well as the purpose, date and amount of the award.
7. A schedule of grants and contributions approved for future payment (payment to be made subsequent to December 31, 20xx) to other organizations during the year ended December 31, 20xx. Please include the name, address and tax exempt status of the recipient as well as the purpose, date and amount of the award.
8. A schedule of investment holdings of PF in which PF's interest exceeds 2% as of December 31, 20xx. For each such investment, please identify the percentage holding by any disqualified person with respect to PF (i.e., an officer or board member of PF) if that disqualified person held greater than a 2% interest in the investment as of December 31, 20xx.