



990 THE BETTER OUTDOORS CASE STUDY FACTS (CASBTM)

The Better Outdoors is based in Carrollton, TX. The organization is exempt from income tax under §501(c)(3), files a 990 return and, because it is a non-private foundation under code §509(a)(3), is also required to file Schedules A and B. It uses the cash method of accounting.

TARGETED AREAS

- Preparing a 990 Return
- Contributions

RETURN INFORMATION

- [Basic Information \(page 3\)](#)
- [Exemption Information \(page 3\)](#)
- [Prior Year Revenue and Expenses \(page 3\)](#)
- [Revenue \(page 5\)](#)
- [Expenses \(page 6\)](#)
- [Grants Paid to Organizations in the US \(page 8\)](#)
- [Balance Sheet \(page 8\)](#)
- [Mortgages and other Notes Payable \(page 9\)](#)
- [Officers and Directors \(page 10\)](#)
- [Independent Contractors \(page 10\)](#)
- [Reasons for Public Charity Status \(page 10\)](#)
- [Capital Gains \(page 11\)](#)
- [Transmittal Letter and Filing Instructions \(page 11\)](#)

DATA ENTRY

- [Reviewing Tax Defaults and Options \(page 12\)](#)
- [Basic Return Information \(page 12\)](#)
- [Primary Purpose and Program Services \(page 13\)](#)
- [Revenue \(page 13\)](#)
- [Expenses \(page 14\)](#)
- [Balance Sheet \(page 14\)](#)
- [Officers and Directors \(page 14\)](#)
- [Schedule A \(page 15\)](#)
- [Schedule B \(page 15\)](#)
- [Capital Gains and Losses \(page 15\)](#)
- [Depreciation Detail \(page 16\)](#)
- [Letters and Filing Instructions \(page 16\)](#)
- [Reviewing the Return \(page 17\)](#)

RETURN INFORMATION

BASIC INFORMATION

NAME	<i>The Better Outdoors</i>
ADDRESS	<i>170 Avenue C, Suite 1 Carrollton, TX 75206</i>
PHONE NUMBER	<i>972-250-3606</i>
EIN	<i>83-9999999</i>
COMPANY WEBSITE	<i>www.thebetteroutdoors.com</i>
PRIMARY EXEMPT PURPOSE	<i>The Better Outdoors provides information about the benefits of public landscaping and outdoor recreation.</i>

This year, the organization undertook significant program services that were not listed on the prior Form 990. The program is called “American Girls Reading Book Club,” and its purpose is to encourage all girls at the elementary school level to improve their reading skills.

EXEMPTION INFORMATION

TYPE OF RETURN	<i>990</i>
EXEMPTION SECTION	<i>501(c)</i>
SUB-PARAGRAPH	<i>3</i>

PRIOR YEAR REVENUE AND EXPENSES

The following income and expenses were incurred in 2018. In this case, these amounts were proformaed from the 2018 return.

PRIOR YEAR REVENUE

CONTRIBUTIONS AND GRANTS	\$ 415,600
PROGRAM SERVICE REVENUE	\$ 389
INVESTMENT INCOME	\$ 3,343
OTHER REVENUE	NONE

PRIOR YEAR EXPENSES

GRANTS AND SIMILAR AMOUNTS PAID	\$ 196,400
BENEFITS PAID TO OR FOR MEMBERS	NONE
SALARIES, OTHER COMPENSATION, EMPLOYEE BENEFITS	\$ 215,000
PROFESSIONAL FUNDRAISING FEES	NONE
OTHER EXPENSES	\$ 134,335

REVENUE

INCOME-PRODUCING ACTIVITIES

EXCLUSION	CODE	AMOUNT
<i>Investment Income</i>	14	\$ 2,419
<i>Gain/loss from sales of assets other than inventory</i>	02	\$ 1,000

PROGRAM SERVICE REVENUE (RELATED FUNCTION)

PROGRAM TICKET SALES	\$ 195
FOOD SERVICE SALES	\$ 277

CONTRIBUTORS

Noncash property consists of items for resale, various small plants, and decorative statues.

CONTRIBUTOR NAME	LANDSCAPE ARCHITECTS ASSOCIATION	STEPHENSON TRUST	W.W. FOUNDATION	OTHER CASH CONTRIBUTION	VARIOUS INDIVIDUAL NONCASH CONTRIBUTIONS
CONTRIBUTOR TYPE	<i>Corporate</i>	<i>Individual</i>	<i>Individual</i>	<i>Individual</i>	<i>Individual</i>
ADDRESS	<i>500 Midway Road Carrollton, TX 75243</i>	<i>21 Lana Blvd. Ft. Worth, TX 76220</i>	<i>66 Oak Road Plano, TX 75008</i>	<i>19 Rose Street Addison, TX 75006-1235</i>	<i>7540 Swan Rd. Denton, TX 85978</i>

AMOUNT OF CONTRIBUTION	\$100,000	\$250,000	\$100,000	\$ 11,200	\$ 36,600
DATE OF CONTRIBUTION	02/15/2019	12/15/2019	04/18/2019	12/19/2019	07/05/2019
TYPE OF CONTRIBUTION	Cash, direct	Noncash, direct Noncash property consists of art work and collectibles to be sold	Cash, direct	Cash, direct	Noncash, direct
LIST THIS CONTRIBUTION ON SCHEDULE B (OVERRIDE)				No	No

EXPENSES

FUNCTIONAL EXPENSES

The Better Outdoors did not report any joint costs from a combined educational campaign and fundraising solicitation.

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
OFFICER COMPENSATION (OVERRIDE)	\$221,000	\$ 9,000	
ACCOUNTING FEES		\$ 3,900	
OFFICE EXPENSES	\$ 8,700	\$ 791	\$ 2,920

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
INFORMATION TECHNOLOGY		\$ 4,100	\$ 2,100
CONFERENCES, CONVENTIONS, MEETINGS	\$25,000		
OTHER FEES - ARCHITECTURAL DESIGN		\$100,000	
DEPRECIATION AMOUNT		\$15,600	

DEPRECIATION DETAIL

DESCRIPTION OF ASSET	DATE IN SERVICE	COST	DEPRECIATION METHOD	PRIOR YEAR ACCUMULATED DEPRECIATION	CURRENT YEAR DEPRECIATION
LAND	12/1/2017	\$13,137			
BUILDING	12/1/2017	\$190,000	39 Yr MACRS	\$5,075	\$4,872
COMPUTERS & EQUIPMENT	1/1/2018	\$20,259	3 Yr MACRS	\$6,753	\$9,005
FURNITURE	1/1/2018	\$6,241	7 Yr MACRS	\$892	\$1,528
BUILDING ADDITION	10/15/2019	\$36,363	39 Yr MACRS		\$195
TOTAL		\$266,000		\$12,720	\$15,600

GRANTS PAID TO ORGANIZATIONS IN THE US

RECIPIENT	ADDRESS	PURPOSE	AMOUNT
NEIGHBORHOOD ASSOCIATIONS	<i>718 Bayview St. Houston, TX 89759</i>	<i>Plants and planning for Bayview Islands</i>	<i>\$100,000</i>
OLD FARMERS SUBDIVISION	<i>2911 Paradise Rd. Addison, TX 99874</i>	<i>Plants, trees, and associated costs</i>	<i>\$149,000</i>

BALANCE SHEET



The organization follows SFAS 117.

ASSETS

	BEGINNING BOOK VALUE	ENDING BOOK VALUE
CASH - NON-INTEREST BEARING	<i>\$298,634</i>	<i>\$110,320</i>
SAVINGS, TEMPORARY CASH	<i>\$50,000</i>	<i>\$68,194</i>
MARKETABLE SECURITIES	<i>\$1,000</i>	
LAND, BUILDINGS, EQUIPMENT	<i>\$229,637</i>	<i>\$266,000</i>
ACCUMULATED DEPRECIATION	<i>(\$12,720)</i>	<i>(\$28,320)</i>
OTHER ASSETS	<i>\$14,700</i>	<i>\$32,946</i>

Mortgages and other Notes Payable

LIABILITIES

	BEGINNING BOOK VALUE	ENDING BOOK VALUE
ACCOUNTS PAYABLE	\$79,200	\$55,000
NOTES PAYABLE	\$13,137	\$45,646

FUND BALANCES

	BEGINNING BOOK VALUE	ENDING BOOK VALUE
UNRESTRICTED FUNDS	\$438,914	\$300,000
TEMPORARILY RESTRICTED FUNDS	\$50,000	\$48,494

MORTGAGES AND OTHER NOTES PAYABLE

	FIRST SAVINGS AND LOAN	BUILDING ADDITIONS
DATE OF NOTE	12/01/2017	10/15/2019
MATURITY DATE	12/01/2051	10/30/2053
ORIGINAL AMOUNT	\$13,137	\$33,646
BEGINNING BOOK VALUE	\$13,137	NONE
ENDING BOOK VALUE	\$12,000	\$33,646
INTEREST RATE	5%	5%
PURPOSE	To purchase land	To build sunroom

OFFICERS AND DIRECTORS



Larry Olah received a bonus and incentive compensation in the amount of **\$150,000**. Therefore, he is categorized as the highest compensated employee.

NAME/ADDRESS	TITLE	AVERAGE HOURS PER WEEK	COMPENSATION	EXPENSE ACCOUNT
<i>Peggy Landar 170 Avenue C Carrollton, TX 75206</i>	<i>Director</i>	<i>20 hours</i>	<i>\$21,000</i>	<i>\$ 241</i>
<i>Dee Derwood 240 Service Road Dallas, TX 75244</i>	<i>Officer</i>	<i>30 hours</i>	<i>\$8,000</i>	
<i>Larry Olah 4200 Magnolia Dr. Irving, TX 75063</i>	<i>Director</i>	<i>40 hours</i>	<i>\$51,000</i>	

INDEPENDENT CONTRACTORS

NAME	ADDRESS	TYPE OF SERVICE	COMPENSATION
<i>Peabody Partnership Architects</i>	<i>300 Way Street Carrollton, TX 75206</i>	<i>Architectural Design</i>	<i>\$100,000</i>

REASONS FOR PUBLIC CHARITY STATUS

Type of exempt organization: Organization that supports other organization - 509(a)(3) - Type II.

The organization also received a written determination from the IRS that it is a Type I, II, or III supporting organization.

TYPE OF EXEMPT ORGANIZATION	NAME OF SUPPORTED ORGANIZATION	AMOUNT	EIN
<i>170(b)(1)(A)(iv) - University</i>	<i>Texas A&M</i>	<i>\$200,000</i>	<i>78-1234567</i>
<i>509(a)(2) - 33 ⅓ % supports organization</i>	<i>American Landscaping Association</i>	<i>\$110,000</i>	<i>88-1234567</i>
<i>170(b)(1)(A)(vi) - community trust</i>	<i>Community & Neighborhood Association</i>	<i>\$65,000</i>	<i>89-1234567</i>

CAPITAL GAINS

MISCELLANEOUS SECURITIES

DATE ACQUIRED	<i>05/15/2018</i>
DATE SOLD	<i>12/31/2019</i>
SALES PRICE	<i>\$ 2,000</i>
PURCHASE PRICE	<i>\$ 1,000</i>
HOLDING PERIOD	<i>Based on dates entered (default)</i>
CATEGORY CODE	<i>Securities (990 Only)</i>

TRANSMITTAL LETTER AND FILING INSTRUCTIONS

The Better Outdoors prints the Transmittal Letter and Filing Instructions with the return. The return will be filed at the **Ogden, Utah** center. **Sincerely** should be used as the closing on the transmittal letter.

DATA ENTRY

This page is used to provide help when you are not sure where to enter data. You do not need this page if you know where all the information belongs.

Forms are accessed from the **Forms List** window at the left of the screen. Make sure **Organizer** is selected.

REVIEWING TAX DEFAULTS AND OPTIONS

1. Select **General Information > Return and Print Options**.
2. Click each tab and view the various options. These options reflect the default values set up for your account and they may be modified here.
3. Scroll down each screen to become familiar with the location of each option.

BASIC RETURN INFORMATION

1. Select **General Information > Basic Return Information**.
2. Review the data that has been entered for you.
3. Verify that the **type of return (mandatory)** is **990**.
4. On the **Return Information** tab at the top of the screen, under **Officer Information**, enter **Dee Derwood**'s name and his title, **Officer**. Also enter **05/01/2020** for the **date signed** and **972-250-9870** for his **phone number**.
5. Scroll down to **Method of Accounting** on the **Return Information** tab at the top of the screen and verify that **Cash** is selected.
6. Verify that the **Accounting Records** are in the control of **Controller, 170 Avenue C, Suite 1, Carrollton, TX 75206, 972-250-7000**.
7. Click the **990** tab at the top of the screen.
8. Select **Exempt under Section 501(c)**.
9. Enter **IRC Section 501(c) sub-paragraph number 3**.
10. Click the **Preparer Information** tab and view the options.

PRIMARY PURPOSE AND PROGRAM SERVICES

1. Select **Form 990 > Form 990 > Pt III - Program Service**.
2. Select **Organization's Mission**.
3. Enter the Organization's mission description: *The Better Outdoors provides information about the benefits of public landscaping and outdoor recreation.*
4. Select **Program Services**.
5. Enter the description and total program service expenses on **Program Service Activity #1: Program creation and design related to educational programs.**
6. Select the option to indicate that the organization undertook significant program services during the year. Enter the information on Schedule O. See the description of the American Girls Reading Program for these facts.

REVENUE

1. Select **Form 990 > Pt VIII - Revenue > Revenue > Analysis of Income > Statement of Revenue**.
2. Enter **\$2419** for **Investment Income** in the column labeled **Revenue Excluded from Tax**.
3. Enter **\$1000** for **Gain (loss) from sales of assets other than inventory** in the column labeled **Revenue Excluded from Tax**.
4. Select the **Part VIII Income Detail** tab at the top of the screen.
5. Enter Program Service Revenue detail in the **Related or Exempt Function Revenue** column.
6. Select **Form 990 > Pt VIII - Revenue > Revenue > Contributors > Contributors**.
7. Verify each contributor's **name**.
8. For each contributor, enter **address, date of contribution, and amount**.
9. Enter **Type of Contribution** information.
10. In the left pane, select **Schedule B > Part I**.
11. Verify **Part I - Contributors, Type of contribution**.

12. Go to **Part II - Noncash Property**.
13. Enter **noncash property description** where applicable.

EXPENSES

1. Select **Form 990 > Pt IX - Functional Expenses > Expenses > Functional Expenses** tab.
2. Enter all expense data on this screen.
3. Select **Grants Paid > Add new Grants Paid**.
4. Create each grant recipient.
5. Enter the purpose and amount for each recipient.

BALANCE SHEET

1. Select **Form 990 > Pt X- Balance Sheet > Assets/Liabilities/Fund Bal > Assets** tab.
2. Enter asset information.
3. Click the **Liabilities** tab.
4. Enter liability information.
5. Click the **Fund Balances** tab.
6. Enter fund information in the **SFAS 117** box.

OFFICERS AND DIRECTORS

1. Select **Form 990 > Pt VII - Compensation of Officers/Directors**.
2. Select **Officers, Directors, Trustees, Employees**.
3. Enter appropriate information for ***Peggy Landar***, ***Dee Derwood***, and ***Larry Olah***.
4. Select **Independent Contractors**.
5. Enter appropriate information for ***Peabody Partnership Architects***.

SCHEDULE A

PUBLIC CHARITY STATUS INFORMATION

1. Select **Form 990 > Schedule A > Pt I - Public Charity Status > Public Charity Status**.
2. Choose the type of exempt organization: **509(a)(3)**.

SUPPORTED ORGANIZATIONS

1. Enter the type of exempt organization: **Organization that supports other organization - 509(a)(3) - Type II**.
2. Select the option to indicate that the organization received written determination from the IRS that it is a Type I, II, or III supporting organization.

TYPE OF EXEMPT ORGANIZATION	NAME OF SUPPORTED ORGANIZATION	EIN
<i>170(b)(1)(A)(iv) - University</i>	<i>Texas A&M - \$200,000</i>	<i>78-1234567</i>
<i>509(a)(2) - 33 ⅓ % supports organization</i>	<i>American Landscaping Association - \$110,000</i>	<i>88-1234567</i>
<i>170(b)(1)(A)(vi) - community trust</i>	<i>Community & Neighborhood Association - \$65,000</i>	<i>89-1234567</i>

SCHEDULE B

Schedule B information carries from data entered under **Form 990 > Pt VIII - Revenue > Revenue > Contributors**.

CAPITAL GAINS AND LOSSES

1. Select **Gains and Losses > Capital Gain (Loss) > Capital Gain(Loss) Detail > Add new Capital Gain(Loss)**.
2. Enter the appropriate information.



The category code is a required entry for 990, 990EZ, and 990PF entity types.

DEPRECIATION DETAIL

1. Go to **Organizer > General Depreciation > The Better Outdoors > Asset Detail > Add new Asset (description)**. Using the depreciation detail information listed earlier in these case facts, complete the next steps.
2. Enter the description of the first asset.
3. Enter the date placed in service, cost, method, and accumulated (depreciation). The deduction amount will be computed automatically.
4. Further down the same screen under **Land, Buildings, Equipment**, select **Non Investment**.
5. Under **Building, Land and Equipment Type**, select the appropriate option to categorize the asset.
6. Follow the above steps for each depreciable asset.

LETTERS AND FILING INSTRUCTIONS

1. Select **Letters and Filing Instructions > General Options**.
2. Verify that the service center is **Ogden, Utah**.
3. Under **Select Which Letters You Wish to Print**, select **Transmittal Letter and Filing Instructions**.
4. Select **Letter and Filing Instructions > Letter Options**.
5. Scroll down to the **Edit Signature Block Options** section.
6. For the **Custom closing**, enter **Sincerely**.

REVIEWING THE RETURN

Compute Before Review

1. Before reviewing the return, make sure your return is completely computed.
2. Select **Compute > Full Recompute** from the menu bar.

Review

The complete return can be viewed on screen and any changes made before printing. Use Tax Forms to review the return. During your review, access supporting workpapers by selecting any field with blue arrows to the right of the field, and then check for diagnostics and overrides.

The review process consists of:

- Reviewing diagnostics and overrides
- Reviewing through Tax Forms
- Reviewing work papers
- Entering corrections and changes
- Reviewing through Print Preview.

Print Preview

1. Access Print Preview to see the return as it will print.
2. View all statements by selecting **Print** on the menu bar.

Diagnostics and Overrides

DIAGNOSTICS

1. To review the diagnostics, select **View > Diagnostics**.
2. A screen displays a list of the diagnostics by type: *Severe*, *Informational*, or *E-file*.
3. To go to the screen where the diagnostic originates, select a diagnostic from the list.

OVERRIDES

1. Viewing and accessing overrides works like the review of diagnostics explained above. Select the override to go to the screen where you entered the override.
2. Verify your overrides and clear any unnecessary overrides by clicking the overridden amount and selecting **Clear Override** from the right-click menu.



If you have entered data only through the Organizer screens, no overrides should exist.

Comparison Screens

Once you have completed this case study, you can compare your entries with the master return completed using the same data. To compare the return you prepared to the master, select **Help > Case Study Comparisons** inside the return.

Differences between the amount in your return and the amount in the master return are noted in the **Difference** column. If you entered the data correctly, there should be no amounts in the **Difference** column.

If you have differences, begin by selecting **Compute > Full Recompute**.

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