

EO Updates from the IRS

The IRS recently issued Exempt Organization Updates 2007-1, 2007-2, 2007-3 and 2007-4. The provisions of the Updates that most likely impact educational institutions are set forth below.

1. New Reporting Requirements and Form Changes Resulting from the Pension Protection Act of 2006.

Certain provisions of the Pension Protection Act of 2006 (the "Act") result in new reporting requirements for exempt organizations required to file 2005 Forms 990, 990-EZ, 990-PF, 990-T and 4720. The 2005 Forms and Instructions have not been changed to reflect the new reporting requirements. Instructions for providing the required information are set forth in EO Update 2007-1.

2. IRA Rollovers to Charities under the Act.

EO Update 2007-2 provides a link to Notice 2007-7, which clarifies several issues concerning the provision in the Act that permits IRA owners age 70 1/2 or older to directly transfer tax-free up to \$100,000 per year to an eligible charity.

3. 2006 Forms.

EO Update 2007-2 provides a link to access the 2006 Form 990.

4. E-File News.

EO Update 2007-2 reminds exempt organizations that for tax years ending on or after December 31, 2006, the electronic filing requirement is expanded.

5. New Internet-Based Workshop for Exempt Organizations.

EO Update 2007-3 announced that the Internal Revenue Service has launched a free web-based training program covering tax compliance issues confronted by small and mid-sized tax-exempt organizations.

6. Instructions to the 2006 Form 990.

EO Update 2007-3 provides a link to the Instructions to the 2006 Forms 990, 990-EZ and Schedule A. The Instructions incorporate the significant changes that were made by the Act.

7. Donor-Advised Funds and Supporting Organizations.

EO Update 2007-4 provides a link to Notice 2007-21, which requests public comments in connection with a study on the organization and operation of donor-advised funds and supporting organizations. Public comments must be submitted by August 16, 2007.

8. Code Section 4965 Guidance.

EO Update 2007-4 provides a link to Notice 2007-18, which provides guidance under Code Section 4965 to tax-exempt entities that may be parties to prohibited tax shelter transactions.

9. Group Exemptions.

EO Update 2007-4 provides a link to a new publication that describes the rules and procedures for group exemptions.

If you would like to review any of the Updates, please contact **Rich Caputo at 610.478.2155 or rsc@stevenslee.com** to receive a copy. Also, if you have any questions regarding any of the Updates, please do not hesitate to contact Rich, who will be happy to discuss the Updates with you at no charge.

© 2007. This publication is intended as a general guide only. This memorandum does not constitute legal advice of Stevens & Lee, or any member of the firm with respect to the subject matter hereof. The information presented and opinions expressed in this Alert are intended for general guidance only. They are not intended as recommendations for specific situations. As always, readers should consult a qualified attorney for specific legal guidance.

U.S. TREASURY DEPARTMENT CIRCULAR 230 DISCLOSURE

Any statements regarding tax matters herein, including any attachments, cannot be relied upon by any person to avoid tax penalties and are not intended to be used or referred to in any marketing or promotional materials. Subject to the preceding sentence, Stevens & Lee does not and will not impose any limitation on disclosure of the tax treatment or tax structure of any transactions relating to this matter.