
Week 8 review · Mon Oct 12 & Wed Oct 14, 2026 · lab week

The 990 Lab

SPEA-V221 Nonprofit and Voluntary Sector · Ji Ma · O'Neill School, Indiana University

Week 8 at a glance

Mon Oct 12 · Two filings, side by side

Why an overhead share needs care, a food bank and a theater discussed in pairs, and your own A3 comparison built on the sheets.

Wed Oct 14 · Freeze, verify, sketch

B2 begins: Community Kitchen checked claim by claim, a comparable per teammate, the first verified rows, and the team's year-one sketch, each share citing a verified line.

- **Readings.** Gregory and Howard, “The Nonprofit Starvation Cycle” (2009), **pp. 49–53**; the Overhead Myth letter (2013), two pages. Light on purpose: this week is a lab, and the 990 Lab how-to on the site is the method.
- **Due. A3, the 990 comparison, Sun Oct 18** (15 points). **B2, the funding lab, Sun Oct 25** (10 points, per member).
- **Built this week.** A3 on Monday's sheets; the start of B2, plank 3, on Wednesday's.

Week 8, Session 1 · the 990 Lab

Two filings, side by side

Ji Ma · O'Neill School, Indiana University

Monday, October 12, 2026

A3: two filings, four rows, one contrast

15 points; credit / no-credit; due Sun Oct 18

Two filings

yours, and one in a different subsector that you never contact. Full 990 or 990-EZ, never a 990-N.

Four rows

size and revenue mix; where the money goes; people; the failure theory each money pattern suggests.

Every figure located

part, line, and PDF page: “Part IX, line 25, column A, p. 10,” not “Part IX.”

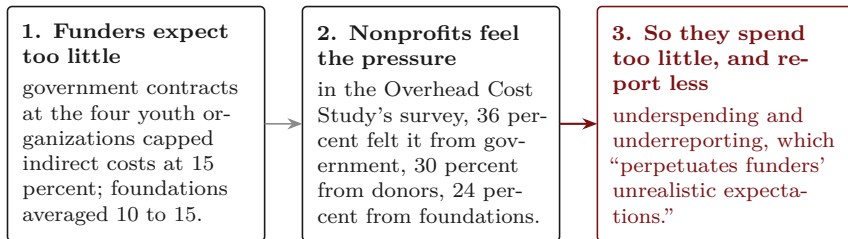
Both tax years

copied from page 1, item A. The same year label can cover different months.

- **A row a filing cannot fill is a finding.** A 990-EZ has no staff count: say so, and name where you would check instead.
- **Visit still ahead?** It has to happen before A4 is due on Sun Nov 15. A3 does not wait for it: both filings are public.

v221.jima.me/assignments/site-visits#a3 · the 990 Lab how-to, “Pick a filing that can be checked”

The cycle that starves nonprofits



- For comparison, the authors put average for-profit overhead at about 25 percent of total expenses (2005 data), with no service industry below 20.

A low overhead figure can mean starved systems, underreported costs, or both.

Why would a filing report zero?

More than a third of 220,000-plus filings reported no fundraising costs

Advice

in a 2000 Chronicle of Philanthropy survey, most nonprofits said their accountants advised them to report zero in the fundraising section of Form 990.

No consequence

the IRS rarely levied the \$50,000 penalty for an incomplete or inaccurate return, and generally only when an organization deliberately failed to file.

Ambiguous rules

IRS instructions did not say how to count marketing and communications; many organizations put all of it in programs.

A reported share can understate spending: four youth organizations reported 13 to 22 percent and spent 17 to 35.

IRS Internal Revenue Service

Gregory and Howard (2009), pp. 49 and 51–52, on the Nonprofit Overhead Cost Study (Urban Institute and Indiana University)

The raters: overhead is a poor measure

BBB Wise Giving Alliance, GuideStar, Charity Navigator; 2013

- “In fact, many charities should spend more on overhead”: training, planning, evaluation, internal systems, and raising money.
- The public disagrees, on the letter’s second page: “62% of all Americans believe the typical charity spends more than it should on overhead.”
- GiveWell’s recommended charities in 2011 had higher overhead than those it reviewed and did not recommend: 11.5 percent against 10.8.

“The people and communities served by charities don’t need low overhead, they need high performance.”

BRING YOUR OWN

The letter speaks to American donors. Where you grew up, do donors, raters, or the law expect charities to keep overhead low? Say where the expectation comes from, or that you know of none.

BBB Better Business Bureau

“The Overhead Myth: An Open Letter to the Donors of America,” 2013, pp. 1–2

A food bank and a theater, side by side

Both are 2023 Forms 990. Check the months.

	Hoosier Hills Food Bank	Constellation Stage & Screen
Months covered (page 1, item A)	January to December 2023	July 2023 to June 2024
Total revenue (Part VIII, line 12, p. 9)	\$7,594,291	\$1,725,398
Gifts (1h) and fees (2g) as shares (p. 9)	97% and 2%	40% and 56%
Donated goods inside gifts (1g, p. 9)	\$5,475,804	none reported
Largest expense (Part IX, col. A, p. 10)	line 1, food passed on to partner agencies (Schedule I): \$6,156,903	line 7, other salaries and wages: \$865,963
Management and fundraising: (C + D) ÷ A, Part IX, line 25 (p. 10)	6%: \$449,796 of \$7,732,933	30%: \$606,366 of \$2,018,040

EIN Employer Identification Number · IRS Internal Revenue Service

IRS copies of each 2023 Form 990, read 2026-10-01; the shares are our arithmetic. Hoosier Hills Food Bank, EIN 31-1051402, pp. 1, 9, 10, 31 · Constellation Stage & Screen, EIN 20-5837886, pp. 1, 9, 10

Discuss: is the food bank more efficient?

Eight minutes with a neighbour. Keep sheet 1 for A3.

1. **Money in, money out.** Where does each organization's money come from, and what does it spend the most on?
2. **The overhead share.** The food bank reports 6 percent of its expenses for management and fundraising; the theater, 30. Is the food bank more efficient? Use Gregory and Howard and one line from the filings.
3. **Your filing.** Find Part IX, line 25 on your organization's 990. What share goes to management and fundraising, and what would you check before calling it high or low? If your filing cannot show it, say why.

Part IX, line 25 (p. 10) of each 2023 Form 990, EINs 31-1051402 and 20-5837886; shares are our arithmetic ·
Gregory and Howard, pp. 51–52 · **A3, row 2: where the money goes** EIN Employer Identification Number

Our reading: what the 6 percent leaves out

Our interpretation of the two filings. Compare it with your notes.

Money in, money out

food bank: 97 percent gifts; line 1, food passed on to partner agencies, is 80 percent of spending. Theater: 56 percent fees; its largest cost is pay.

The 6 percent

without line 1, the food bank's share is about 29 percent, near the theater's 30: our what-if, not a truer rate. Each filer chose its own cost split.

One year at a time

page 1 shows the prior year too. The theater's gifts: \$3,058,917 in its first year after a three-way merger, then \$693,869. Neither return says why.

Before you call an overhead share high or low, check its largest line, the cost split, and the prior year.

Hoosier Hills, EIN 31-1051402, 2023 Form 990: Part IX, lines 1 and 25 (p. 10); Schedule I, Part II (p. 31). Constellation, EIN 20-5837886: 2023 Form 990, Part I, both years (p. 1), Part IX, lines 7 and 25 (p. 10); 2022 Form 990, Schedule O. Read 2026-10-01. Our calculation: $\$449,796 \div (\$7,732,933 - \$6,156,903)$. Gregory and Howard, p. 52.

EIN Employer Identification Number

The sharpest contrast

Both organizations, one difference, its number, and its line

In their 2023 Forms 990, fees were 56 percent of the theater's revenue and 2 percent of the food bank's (Part VIII, line 2g, p. 9). The theater sells tickets, sponsorships, and education programs; the food bank's partner agencies feed people free.

- **Why it is sharp:** one row, both numbers, the line and page, and what the difference means.
- **What does not follow:** “the food bank is more efficient.” Its 6 percent rests on what line 1 holds.

EIN Employer Identification Number

Constellation, EIN 20-5837886, and Hoosier Hills, EIN 31-1051402, 2023 Forms 990: Part VIII, lines 2a–2g (p. 9); Hoosier Hills's mission, Part I, line 1 (p. 1); read 2026-10-01 · **the A3 spec**

The lab

thirty minutes, sheets 2 and 3, both filings open

Build the comparison

Keep sheets 2 and 3: they are your A3 draft.

IN CLASS

1. **Fix the comparison organization:** a different subsector, a full 990 or 990-EZ, the PDF open. Both tax years, from page 1, item A, at the top of sheet 2.
2. **Rows 1 to 3 from the PDFs**, not ProPublica's summary: each figure with part, line, and page (pages 1, 9, 10, then 7 and 8).
3. **Row 4 for each:** the theory, the line that says so, and what would change your mind.
4. **Sheet 3:** the contrast, with a number and its line, and what the other subsector changes.
5. **Swap at twenty-five minutes:** your neighbour checks pages, tax years, and efficiency claims, and signs.

No comparison organization yet? Any of these works if its subsector differs from yours: Bloomington Developmental Learning Center (35-1784455), WFHB (31-0935271), Boys & Girls Club of Bloomington (35-0997525), Stone Belt Arc (35-1059827).

v221.jima.me/assignments/site-visits#a3 · fallback organizations from the ProPublica API, read 2026-10-01

Read the contrasts aloud

Your sentence as written, with its number and line

- **Read yours.** Everyone else names the row it came from.
- **Ask one question back:** is the difference real, or a tax-year mismatch, a 990-EZ blank, or a counting choice like the food bank's line 1?

Before Sunday, check whatever a question back exposed.

v221.jima.me/assignments/site-visits#a3

Before you go

- **A3 is due Sun Oct 18, 11:59 PM, on Canvas.** Type today's sheets into the template on the A3 page.
- **Wednesday starts B2.** Each teammate brings a *different* real comparable for the startup: an organization doing similar work, with its EIN and a full 990 or 990-EZ. Search ProPublica or the Resources page; next week's NTEE hunt can replace a thin one. Bring your team's photo of Week 7's sheet 1: the sketch starts there.
- **Skim the 990 Lab how-to** before Wednesday: freeze, split, verify, at least eight rows.

EIN Employer Identification Number · NTEE National Taxonomy of Exempt Entities

v221.jima.me/assignments/startup-plan#b2 · v221.jima.me/assignments/990-lab

Your exit slip

Individual, ungraded; hand it in before you leave. Keep your worksheets.

- Your name.
- Both organizations and tax years; one contrast supported by a number and its filing location.

A3

Week 8, Session 2 · the funding lab begins

Freeze, verify, sketch

Ji Ma · O'Neill School, Indiana University

Wednesday, October 14, 2026

B2, exactly

10 points, credit or no credit, per member; due Sun Oct 25

Each teammate

a different real comparable; a frozen chatbot summary of its finances; eight or more claims checked against its 990, each with a verdict and a location.

Together

an illustrative first-year revenue mix, not a budget. Each share cites a verified line and says what your startup would keep or change, and why.

- **Below the sketch:** the assumption behind your least-sure share, and the funder who could stop saying yes, with what the plan would do that year.
- **Credit is per member:** a teammate who skips theirs scores 0 while the rest are covered.

v221.jima.me/assignments/startup-plan#b2

What counts as a comparable

- **Same kind of work as your startup.** A meal program's comparable is a meal program, a food bank, or a shelter that feeds people.
- **A full 990 or a 990-EZ**, never a 990-N: the e-Postcard “carries only a handful of fields, not enough to check a summary against.”
- **Different for each teammate.** Your own or a teammate's site-visit organization counts if it fits.
- **Where to look:** ProPublica's search, the 990 tools on the Resources page, and next Wednesday's NTEE hunt.
- **From home:** if your best comparable is abroad, what would you check a chatbot against there: a register from Week 1, an annual report? Keep it as an extra example; B2's eight rows need a 990 or 990-EZ.

[the 990 Lab how-to](#), “Pick a filing that can be checked” · [the Resources page](#) · the Week 1 register task

NTEE National Taxonomy of Exempt Entities

Freeze and verify: what B2 adds

The Week 3 method, with B2's rules

- **Eight claims at least.** If the summary is thinner, ask again for revenue, expenses, staffing, and programs, and freeze that answer.
- **A verdict and a location on every row:** part, line, and PDF page. Correct rows too.
- **Wrong:** write the filing's figure. **Unverifiable** (the 990 does not carry it): say what you would need, and check the organization's site or audited statements.
- **Hunt three errors:** a wrong total, an invented specific (a grant, a staff claim), and a number from a different tax year.

A row without a location counts as unchecked.

v221.jima.me/assignments/990-lab: “Freeze the AI summary,” “Verify, one row per claim,” “The errors worth hunting” · the method, Weeks 2 and 3

Community Kitchen, claim by claim

Four claims written for practice, checked against its 2024 Form 990

The claim	The 2024 Form 990 says	Verdict
(a) founded in 1982	1983: page 1, item L	wrong
(b) \$2.1 million last year	\$1,994,043: Part I, line 12, p. 1; \$2,142,526 was 2023's	wrong: the 2023 figure
(c) runs a mobile pantry	Part III (pp. 2, 13): free meals, nutrition education, referrals; no pantry	unverifiable on the 990; its site lists meal stops, not a pantry
(d) about 300 volunteers	1,316: Part I, line 6, p. 1, "estimate if necessary"	wrong, against its own estimate

Name the tax year, from item A, before you call a figure correct.

EIN Employer Identification Number · IRS Internal Revenue Service

Community Kitchen of Monroe County, EIN 31-1101408, 2024 Form 990, IRS copy, pp. 1, 2, 13; its meal-service page; both read 2026-10-01. The claims are ours, written for practice.

Community Kitchen in 1983 and in 2024

Its own history page, then its 2024 Form 990

1983, in its own words

started by women from several Bloomington churches: meals three days a week at Monroe County United Ministries, and one part-time employee.



2024, on its Form 990

revenue \$1,994,043; gifts 97 percent, including \$371,455 in government grants; no fees; 35 employees and 1,316 volunteers.

A filing shows what a comparable raised, not what a startup can raise.

EIN Employer Identification Number · IRS Internal Revenue Service

monroecommunitykitchen.com/history, read 2026-10-01 · Community Kitchen, EIN 31-1101408, 2024 Form 990, IRS copy: Part I, lines 5, 6, 12 (p. 1); Part VIII, lines 1e, 1h, 2g (p. 9); read 2026-10-01

Adapt it: year one for a new meal program

A hypothetical startup, built on Community Kitchen's lines

Revenue source	Community Kitchen, 2024	Year one, and why
donations and grants	Part VIII, line 1h: \$1,935,546, 97% of line 12	most of it: the meals stay free, so no fees come in
program fees	line 2g: none. Its site: "No fees or eligibility requirements."	none: keep the free, no-questions meal
government grants	line 1e, inside 1h: \$371,455; \$678,974 the year before	none counted until a grant is awarded

Least-sure share: donations; a new program has no donor list. **Assumption to test:** local donors and congregations will fund a program with no record.

Community Kitchen, EIN 31-1101408: 2024 Form 990, IRS copy, p. 9; 2023 Form 990, line 1e, ProPublica full text; monroecommunitykitchen.com; read 2026-10-01 · the startup and the year-one column are hypothetical, our interpretation

EIN Employer Identification Number · IRS Internal Revenue Service

The studio

forty minutes, sheets 1 and 2, laptops open

Freeze, verify, sketch

Keep sheet 1 for your own B2; share the team's sheet 2 with every teammate.

IN CLASS

1. **Claim your comparable aloud.** No two teammates share one. Name, EIN, tax year, and filing link at the top of sheet 1.
2. **Ask and freeze.** Use the prompt on the sheet. Keep the output unedited, with the tool and date. Number the claims.
3. **Verify four rows on the PDF, revenue claims first:** claim, verdict, part, line, page.
4. **Swap sheet 1 with a teammate.** Every row has a verdict and a location? Initial it.
5. **Sketch on sheet 2 as a team,** from your photo of Week 7's sheet 1 (your payer, who decides, what if it stopped). For each share: the verified line, and what your startup keeps or changes, and why. Then the least-sure share's assumption, and who could stop funding you.

I circulate. No comparable yet? Search ProPublica for an organization doing your team's kind of work, then claim it. Rows five to eight go in the B2 template by Sun Oct 25.

v221.jima.me/assignments/startup-plan#b2 · the 990 Lab how-to

EIN Employer Identification Number

One wrong, one unverifiable

Read the claim, your verdict, and the location.

- **One wrong row:** the claim as the chatbot wrote it, the filing's figure, and the part, line, and page. Which error was it: a total, a specific, or a year?
- **One unverifiable row:** the claim, and what you would need to settle it.
- **Every row correct?** Say so, and name the tool. A checked correct row still earns credit.

Keep each wrong row: it is ready-made evidence for B5's AI-process appendix.

v221.jima.me/assignments/990-lab, "Why this exists" · B5: named organization, quoted claim, cited 990 line

Before you go

- **A3 is due Sun Oct 18:** Monday's sheets, typed into the template, every figure located.
- **B2 is due Sun Oct 25:** your eight rows or more in the template, and the team's sketch. Wed Oct 21 is the TA-led NTEE hunt and B2 clinic; bring a working draft with eight claims numbered.
- **Next week's readings:** Horwitz, "Charitable Nonprofits and the Business of Health Care," pp. 436–444; the CRFB paper on hospital tax benefits; the NTEE explainer, skimmed once. Mosley on social-service nonprofits if your organization is one. For Monday's tour and NTEE introduction, bring your organization's 990 and your A3 table.

IN CLASS

Progress check-in, thirty seconds per team: visits done or booked for a date; A3 drafted or not; each teammate's comparable claimed. Visit still ahead? It has to happen before A4 is due on Sun Nov 15. No visit and no booking? Stay after class.

NTEE National Taxonomy of Exempt Entities · CRFB Committee for a Responsible Federal Budget

v221.jima.me/week/w09 · v221.jima.me/assignments/startup-plan#b2

Your exit slip

Individual, ungraded; hand it in before you leave. Keep your worksheets.

- Your name.
- Your comparable; one AI claim, its verdict and exact filing location.

B2

Week 8 review

test yourself before the subsector tour

Can you define these without looking?

The overhead question

Term	You should be able to say
the starvation cycle	its three steps, and why the third feeds the first
the overhead ratio	which Part IX columns build it, and why it is a number to explain
misleading reporting	the three reasons a third of filings show zero fundraising cost
the Overhead Myth letter	who signed it, and the sentence it exists to say
indirect costs	what funders allowed the four youth organizations, and what they actually spent

Gregory and Howard pp. 50–52 · the letter, pp. 1–2

Can you define these without looking?

The lab

Term	You should be able to say
a location	part, line, and PDF page, and why “Part IX” is not one
a tax year	where page 1 gives the months, and why two 2023 Forms 990 can cover different ones
the four rows of A3	what each compares, and which 990 lines feed it
the three verdicts	what each means, and why “unverifiable” is not a free pass
a comparable	the three tests an organization has to pass to be one
a grounded share	the line it cites, what a startup changes, and the assumption it rests on

Six questions you should be able to answer

1. An organization spent money raising funds, yet its filing reports zero fundraising expense. **Give three reasons that can happen.**
2. A donor says a charity with 25 percent overhead is wasteful. **Answer with the raters' letter and one number from Gregory and Howard.**
3. A food bank reports 6 percent of its expenses for management and fundraising; a theater, 30. **What would you check before calling the food bank more efficient?**
4. Two organizations' 2023 Forms 990 cover different months. **Where on the form do you find the months, and why does A3 ask for both?**
5. A chatbot says Community Kitchen took in \$2.1 million last year. **What do you check before calling the claim correct or wrong?**
6. Your team's sketch says "donations, 70 percent" for year one. **Which line does it cite, what changed from the comparable, and what assumption would you test?**

Answers: Q1 Gregory and Howard pp. 51–52; Q2 the letter p. 1 and Gregory and Howard p. 51; Q3 the “Our reading” frame and Gregory and Howard p. 52; Q4 the case table and the A3 frame (page 1, item A); Q5 the claim-by-claim frame (page 1 of its 2024 Form 990, both columns); Q6 the “Adapt it” frame and **the B2 spec**

Numbers worth remembering from this week

one in three

of 220,000 filings reported
no fundraising cost; one in
eight, no management cost

13–22%

overhead four youth
organizations reported;
they spent 17–35%

6% vs 30%

management and
fundraising share of
expenses, food bank and
theater

- The letter (2013): “**62%** of all Americans believe the typical charity spends more than it should on overhead.” GiveWell’s recommended charities (2011): **11.5** percent, against **10.8**.
- **Eight** rows is the B2 floor. **Four** rows on A3. **15 + 10** points across the two uploads, Sun Oct 18 and Sun Oct 25.
- Page 1, item A: the months a filing covers; item L: the year of formation. Part I, lines 5 and 6: employees and volunteers.

EIN Employer Identification Number · IRS Internal Revenue Service

Gregory and Howard p. 51; the letter p. 2 · IRS copies of the two 2023 Forms 990, EINs 31-1051402 and 20-5837886, p. 10, read 2026-10-01 · IRS Form 990 (2025)

Carry into Week 9

- **Two uploads. A3 on Sun Oct 18**, from Monday's sheets. **B2 on Sun Oct 25**: your eight rows or more, and the team's sketch.
- **Module 5 opens: what nonprofits actually do.** Monday Oct 19 is the first subsector tour (health, education, human services), your own organization in its field, and the NTEE introduction: bring its 990 and your A3 table. Read Horwitz, "Charitable Nonprofits and the Business of Health Care," **pp. 436–444**, and the CRFB paper; skim the NTEE explainer once.
- **Wednesday Oct 21 is the TA-led hunt and B2 clinic**: find peers, then check your eight-claim working draft and the team sketch. Bring the downloaded filing; keep a usable comparable.
- **Mosley**, on social-service nonprofits, is recommended if your site-visit organization is one.

Give every financial figure a tax year, part, line, and PDF page.