

Organizational Information: What's Public? What's Private?

Every nonprofit is encouraged to function transparently. The more information you share, the easier it is for the public to get to know you and determine whether your organization is a good match for their values and giving priorities, but it is important to know where the line lies between the public's need to know and internal confidential information.

Public Information

There are a few documents that nonprofits are legally obligated to share with the public or their members.

- **Form 990.** With some exceptions, every tax-exempt nonprofit must share this form from the last three years with anyone requesting it. Form 990-T indicates in what types of unrelated business activities the organization was involved. Forms 1023 and 1024 are the tax-exemption application forms that also must be readily available. These forms explain the original purpose of the organization and allow those interested to verify that the primary mandate is still being respected.
- **Specific financial documents** must be made available to members as state laws specify. Know your state requirements if you have a formal membership organization.

- **Public Budgets.** Many nonprofits have a one-page public budget that they share in grant proposals and upon request.

Possibly Private Information

While BoardSource encourages transparency, every organization needs to consider what should be held confidential as it relates to their needs. Here are a few examples:

- **Board meetings, meeting notices, and minutes** must be open or available to the public if the organization is covered by state sunshine laws, yet many nonprofits are not included in sunshine laws, even when they receive government funds.
- **Planning documents.** There is no legal obligation for nonprofits to share their strategic planning documents, though many do.

Private Information

- **Confidential material.** Material that would jeopardize the reputation or integrity of an individual must remain undisclosed.
- **Budget.** The financial statements demonstrate how the organization's budgetary plans came to life and they take the role of serving as indicators of the financial activities that took place.
- **Executive session decisions.** Decisions made in executive session should be documented in the board meeting minutes. These should be distributed only to board members or anyone else present at the meeting.
- **Donors.** Donors have a right to remain anonymous. If a donor makes this request, his name should not be disclosed to anyone outside the senior staff and the board. The list of all donors that is attached to Form 990 is not part of public disclosure.
- **Private addresses of board members.** If board members (or key employees) cannot be reached via the organizational address, another address must be disclosed on Schedule O of the Form 990.
- **Personnel files.** Even board members normally should have no need to see them.
- **Patient and client information.** In the healthcare field, the Health Insurance Portability and Accountability Act (HIPAA) protects medical records. In other organizations, client confidentiality is expected to be honored unless a release of information has been secured.

Our laws only indicate the minimum requirements for disclosure. Openness about how the board and the organization operate is the easiest way to garner goodwill. Information from audited financial statements to documents outlining organizational and board policies and procedures helps eliminate questions and concerns. A climate of secrecy may invite curiosity. Your organization's website is the most obvious location to introduce your organization to those interested in its activities.

101 Resource | Last updated: March 25, 2024