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One of the few joys of attending tech conferences and trade shows is the chance to catch up with old friends and compare notes about how things are changing. That happened in Dallas last week at the Broadband Expo, where I spent some time with Don Kent, one of the founders of Net Literacy and a champion of efforts to bring more Americans online.

What Don told me, though, was sobering. That more than 1/3 of the non-profit organizations in the US stand to lose their non-profit status over failure to file a Form 990 this year.

I did a little research, and what he said appears to be true. Some 450,000 non-profits did not file or did not provide sufficient information and may in fact lose their non-profit status. The problems occur mostly at the small end of the non-profit world, with charitable organizations that make less than \$25,000 per year and did not have to file a federal return with the IRS until this year. These organizations may not know about the change in the law, or may simply not have the resources to file the simplest version of the Form 990.

But that's only one problem. Of greater concern are the 500,000 non-profits that are living in the "grey zone" — permanently on the edge of insolvency. The IRS is scrutinizing these as well, and there are concerns that in the present economic environment many of these will slip over the edge.

Accountants are the front-line defence against the troubles in the non-profit world, but with the deadline now passing for even extended filings of the Form 990 there may be little we can do. Local charities may slip away before we even know they are in trouble — and at a time when the nation needs these local organizations more than ever before.

As usual, it falls to accounting professionals to take up the cause, rise to the occasion

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