

# FY16-17 (2016) Form 990

## Frequently Asked Questions (FAQ)

### == Overview ==

=== What is a Form 990 and what is its purpose? ===

The Form 990 is the annual informational paperwork required by the [Internal Revenue Service](#) (IRS) for non-profit organizations in the United States. The purpose of the filing is to provide information to the IRS and the public for evaluation purposes; this is in addition to our public and our annual audit performed by [KPMG](#).

=== What are financial statements for? ===

Tax authorities refer to it as the 2016 return because the fiscal year period that the return refers to began in 2016. For the Wikimedia Foundation, that is the 2016-2017 fiscal year - which covers activities from July 1, 2016 to June 30, 2017. The financial statements cover a comprehensive range of financial activities during that time period meant to give the IRS and public an overview of the organization's financial status and conduct.

An exception to the June-July fiscal year setup is information related to the compensation of our highest paid staff and independent contractors, which is instead based on the calendar year 2016 - so January 2016 to December 2016.

=== When did you file the 2016 Form 990, and where can I find it? ===

The 2016 Form 990 was filed with the IRS on May 14, 2018, and "[wmf:Financial reports]has now been posted on the Wikimedia Foundation]] website". It will also eventually propagate to other websites such as the ones belonging to the [Foundation Center](#), [Guidestar](#), and many others.

=== Who is responsible for filling out the Form 990 for the Wikimedia Foundation? ===

The Form 990 is the responsibility of the management of the Wikimedia Foundation. KPMG provides guidance, helps create the Form 990 in the proper IRS format and reviews the final product for accuracy and completeness.

=== What is the process for completing and reviewing the Form 990 for the Wikimedia Foundation? ===

As discussed above, the Wikimedia Foundation accounting and management staff work to provide data to KPMG. KPMG then provides a first draft of the Form 990 to the Foundation. There may be several drafts. Once Wikimedia Foundation accounting staff and management are comfortable with a "final draft," it is presented to the [Wikimedia Foundation Audit Committee](#) for a detailed review. Once the Audit Committee approves it, it is given to the [Wikimedia Foundation Board of Trustees](#). The Wikimedia Foundation Board of Trustees has a period of time to ask questions and then the Form 990 is officially filed with the IRS by KPMG.

=== What are the due dates for filing the Form 990? ===

The Form 990 is due on the 15th of the 5th month following the fiscal year-end, so in our case, November 15. However, the IRS grants a six-month extension to anyone who requests it thus moving the deadline this year for the Wikimedia Foundation to May 15, 2018.

=== What are your legal responsibilities for posting the Form 990? ===

By law, we must submit the full Form 990 to the IRS, and if members of the public request, we must also provide suitable copies for their review. As part of the Wikimedia Foundation's commitment to [accountability and transparency](#), and to make it easy for people to find it, we post the form 990 as a PDF on the Wikimedia Foundation website.

=== This return is 58 pages long-can you give a quick overview of how it is organized? ===

The Form 990 consists of the core return form with parts numbered from Part I to Part XII.

\* Part I (Summary) provides a snapshot of the core form, including the organization's [mission](#), activities and current and prior year's financial results;

\* Part II is for the signature of the Wikimedia Foundation officer verifying the accuracy and completeness of the information in the Form 990;

\* Part III is a summary of the main program service accomplishments (i.e. what are the main focus areas of our work);

\* Part IV includes a checklist to determine which additional schedules need to be completed outside of the core form;

\* Part V includes statements regarding tax filings and compliance;

\* Part VI includes questions/statements re: governance, management and disclosure;

\* Part VII includes compensation;

\* Part VIII includes revenue information;

- \* Part IX includes the functional expense statement;
- \* Part X includes the balance sheet information;
- \* Part XI includes the reconciliation of net assets; and
- \* Part XII includes the financial statements and reporting method.

Additional schedules that the Wikimedia Foundation completes include:

- \* Schedule A - Public Charity Status and Public Support (this includes the test to make sure that we properly considered a 501 (c)(3) public charity as opposed to a different type of charity);
- \* Schedule C - Political Campaign and Lobbying Activities;
- \* Schedule D - Supplemental Financial Statements including reconciliation of audited revenue and expenses vs revenue and expenses per the Form 990;
- \* Schedule F - Statement of Activities Outside the U.S. (This includes operational activities as well as grants or assistance to organizations and /or individuals outside of the United States);
- \* Schedule G - Supplemental Information Regarding Fundraising;
- \* Schedule I - Grants and Other Assistance to Organizations and Individuals in the United States;
- \* Schedule J - Compensation;
- \* Schedule M - Non-cash Contributions; and
- \* Schedule O - Supplemental information (this includes information on process and policy and continuation of items that don't fit completely on the standard form pages such as the full mission statement which is asked for on page 2 but wouldn't fit in its entirety there).

## **== Key Highlights ==**

The page numbers used are based on the page number in the bottom right corner of each page in the Form 990 PDF.

=== On page 2, Part I, Summary, line 6 the total number of volunteers is listed as 80,000, where does this number come from? ===

This number is the number of active editors (those who make at least 5 content edits in a month) in the fiscal year of the report.

=== On page 2, Part I, Summary, line 8, Contributions and grants increased by approximately US\$10.7 million from the prior year, what is causing this increase? ===

We experienced fundraising success in November and December of 2016, due in part to broad support from online donations.

=== On page 2, Part I, Summary, line 15, Salaries have increased by approximately US\$2 million from the prior year, what is causing this increase? ===

This increase represents the addition of nine new staff as well as our annual compensation adjustments for existing staff.

The Wikimedia Foundation's compensation practices reflect our desire to compensate people for their work in a manner that is understandable, equitable, reasonable, and consistent with our values and culture. The primary mechanism for compensation is base pay, supported by strong benefits and paid time off allotments, and a commitment to professional development. As a donor funded nonprofit, the Wikimedia Foundation does not provide bonuses.

In setting the salaries for all of our paid positions, our Talent & Culture department uses 10 salary bands which are determined bi-annually using the Radford Salary Survey. The Board of Trustees also uses this information and comparative data from the Form 990s of other nonprofits organizations when discussing executive salaries. The largely technical and high-skill nature of some of our work requires competitive wages to recruit the best talent and compensate them fairly for their expertise and commitment. We believe that the Wikimedia Foundation continues to pay competitively, but within the average range for comparable organizations and roles.

=== On page 4, Part IV, line 4 is marked “Yes” for lobbying activities, why? ===

This line is once again marked “Yes” as the Wikimedia Foundation continued to support the public policy efforts of the Wikimedia movement.

=== On page 7, Part VI, Section B, line 10a, the question “Does the organization have local chapters, branches, or affiliates?” is answered “No.” Why? ===

This question refers to entities that are not their own legal entities but rather extensions of the parent entity, in this case the Wikimedia Foundation. [Wikimedia affiliates](#) are independent organizations.

=== On page 7, Part VI, Section B, line 14, the question “Did the organization have a written document retention and destruction policy?” is answered “Yes.” ===

The Wikimedia Foundation has finalized and adopted this policy during the 2016-17 fiscal year.

=== On page 7 Part VI, Section B, line 15b, the question regarding review of compensation by “Other officers or key employees of the organization” is answered “No.” Is a process for this being developed? ===

Yes. The Wikimedia Foundation has developed and began adoption in Fiscal Year 2017-18 for other officers.

=== On page 8, Part VII, Section A, there is a list of “current officers” which includes people who are no longer on the board and staff, and does not include people who are currently on [[wmf:Board|the board]] and staff. Why? ===

The list is intended to reflect 2016-17 fiscal year and 2016 calendar year, which means it includes key staff who were present for all, or any part, of the calendar year, as well as board members active during the fiscal year from July 2016 through June 2017.

=== On pages 8 & 9, Part VII, Section A, how do you determine which staff are listed here? ===

The requirements for inclusion on this list are staff who are officers of the organization, key employees (who also have over \$150,000 of reportable compensation) or the five highest compensated employees.

=== On page 11, Part IX, line 11b - what does the \$1,507,552 in fees for legal services represent? ===

It relates to general outside legal counsel, trademarks support, human resources related counsel, and litigation. This is consistent with what was discussed in the [2016-2017 Annual Plan](#).

=== On page 29, Schedule D, Part XI, line 2b - what does donated services and use of facilities represent? ===

This related to pro bono litigation services for the [Wikimedia Foundation v. NSA](#) lawsuit, primarily from the [American Civil Liberties Union](#) (ACLU) and internet hosting services.

=== What is the purpose of Schedule F, Statement of Activities Outside of the United States (begins at page 31)? ===

This schedule shows what activities the organization has outside of the United States and how much the expenses are related to those activities. Furthermore, the IRS asks us to break the activities down by region; for example, North America includes Canada and Mexico (but not the U.S. since this schedule is focusing outside of the U.S.), East Asia and the Pacific includes Australia, South Asia includes India. Expenses include payments for services such as bandwidth, contractors, grants to organizations and individuals, etc. The IRS also asks about Fundraising activities. Through our online donations, we receive donations from every region that the IRS lists. We don't show expenses in those regions related to Fundraising because we do not pay individuals or organizations to fundraise in regions outside of the U.S.

=== On page 51, Schedule J, Part III, under Supplemental Information there is mention of the severance agreements of two former employees - can you speak more to that? ===

Out of respect for the people involved, and in consideration of the laws and ethics related to sharing human resources information, we will not be commenting on the specific nature of the severance payments, any agreements, or circumstances which may be related to them. We recognize that people have an interest in this topic, and that there will be some questions. However, we ask that you respect that there are real people behind these numbers and that as an employer we are limited in what we can discuss publicly.