

Check list for Non Profit Organizations Applying for 501c3 Tax Exempt Status

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- Choose a name for your non profit. (While you're at it, select and reserve a Web domain name.). Research the IRS Charities web site(www.IRS.gov/EO), the internet and your state's Secretary of State's Office to be sure it is not already taken.
- Choose a board of directors (often only three people are needed, a president/director, a treasurer and secretary). More is better, including a vice-chair/director.
- Obtain a Federal Employer Identification Number (EIN), submitting IRS Form SS-4 either on-line or by phone or mail. Go to www.IRS.gov and type EIN in the search box.
- Develop organizational by laws—the rules by which you will operate.
- Hold your first board meeting. Get approval of the by laws and approval to form a nonprofit corporation.
- Write Articles of Incorporation including a statement of your purpose. The IRS has examples in their Pub 557 Tax Exempt Status for Your Organization. **Specific language needs to be included in your Articles.** See <http://www.irs.gov/charities/charitable/article/0,,id=123028,00.html> for a sample.
- Incorporate as a non profit organization in your state. Submit Articles of Incorporation to the appropriate office in your state government with the required fee. This is usually the Secretary of State's Office.
- Set up a budget for the current year and projections for two future years.
- Read all you can on filing for tax exempt status. Review IRS Publication 557, instructions for filing for tax exemption.
- Have your board vote on going ahead with 501c3 tax exempt status. Approve the expenditure of funds to pay the IRS fee and any professional fees.
- File IRS Form 1023 if you are applying to become a 501(c)(3) tax exempt organization (preferably within 27 months of the date of incorporation).
- Pay filing fees of \$850 if you anticipate having revenue of over \$10,000 per year, or \$400 if you anticipate having revenue of less than \$10,000 per year.
- Register as a charity within your state if you are required. Several states do not require registration unless you solicit the public in a fund raising event.

If you need assistance with any of these steps, contact me. Carol Topp, CPA at www.CarolToppCPA.com. I am experienced at assisting non profit organizations with the tax exempt application process.