Caritas Law Group P.C.

HOW TO START A

Non-Pro it Organization

Five things to do before you form the entity and apply for tax-exempt status

It always starts with an idea.

An idea of how to solve a problem in the community, conduct research into a disease, or raise awareness of an important issue.

As your imagination and creative problem-solving skills take hold, you're overflowing with ideas for how to drive change.

At some point, you realize you're going to need to raise funds to make it happen. And this is when many visionaries jump into forming a non-profit corporate entity and filing for tax-exempt status.

But wait! Before you jump into the paperwork, there are some key decisions you need to make that will help your non-profit be more successful in the long run. We've set up hundreds of non-profits over the years. Some of them have been wildly successful; others have failed. We created this checklist of decision points based on what we've learned in the process.

1. SURVEY THE LANDSCAPE

To get a realistic idea of your chances of attracting support for your organization, research other organizations that do similar work or serve the population you are planning to serve. If there are others filling the need and filling it well, do you have a plan to deliver services in a new, innovative way? If the need is being met by other organizations and you don't have a strong differentiating idea, you're going to struggle to attract funding right from the start. Worse, the funding you attract may weaken existing organizations trying to fulfill the same mission.

How you survey the landscape depends heavily on the type of organization you want to start. Consider three areas:

GEOGRAPHY

If you're serving your local population, look at neighboring towns, cities, and even states. If you're planning to start a national or international organization, you'll have a much broader field to research—but also a broader scope of needs.

PROBLEM

What other organizations are working on the same problem you want to address? What about similar problems? Are there existing organizations that aren't working on the exact problem you are but could easily go that direction in the future?

FUNDING SOURCES

At a high level, where will you initially turn for funding? Will those funding sources be interested in addressing your chosen issue in the geographic area you've selected?

Resource Spotlight

GuideStar by Candid offers complete, up-to-date non-profit data and is a great place to start surveying the landscape.

2. DO YOUR HOMEWORK

Unless your proposed organization is expected to have a very small budget, you will have to present the IRS with a detailed business plan in order to obtain tax-exempt status. A small budget refers to an organization with assets of less than $250,000 and anticipated gross revenues of no more than $50,000 per year for the first three years. A business plan thoroughly explains:

- **WHAT YOU PLAN TO DO**
  List the mission, purpose, and goals
- **DISTINGUISHING FEATURES**
  What makes your organization different from others working on similar issues?
- **WHEN YOUR PLANNED ACTIVITIES WILL OCCUR**
  Include a projected schedule of activities
- **WHERE YOU'LL WORK**
  What geographic area will you cover? Where will you be based?
- **HOW YOU'LL ACCOMPLISH YOUR GOALS**
  Get into the nuts and bolts of planned activities
- **WHO WILL BENEFIT**
  What population are you targeting?
- **WHO WILL DO THE WORK**
  List key hires, staffing needs, and volunteers
- **COSTS TO ACCOMPLISH THE PLANS**
  Include detailed budgets for everything from staff, insurance, communications, space, supplies, and fundraising costs

Much of the information on your business plan will be needed to complete Form 1023, the Application for Recognition of Exemption. However, your business plan should go beyond the scope of the 1023. If you're struggling to answer the questions above, it may be a trigger to dig deeper into the question of whether you're truly ready to start a charity.

3. NAME THE ORGANIZATION

Now that you've surveyed the landscape and done your homework, you probably have some ideas about what you want to name your organization. Keep in mind that your name can't conflict with an existing entity; it should also be unique and descriptive. You want people to connect it with your cause and not feel confused when they're thinking about donating. Don't forget to look into available domain names—you'll want to purchase the .org or .edu domain for your website.

You can use the U.S. Patent and Trademark Office's searchable database to make sure someone else hasn't already trademarked your name. Once you've made your choice, head to the website of the agency in your state that handles incorporation to see if the name is available. If it is, most states will allow you to reserve the name for a limited time while you prepare to incorporate.

4. BUILD A BOARD OF DIRECTORS

When you form your corporate entity, you'll need a board of directors to form the governing body of your organization. The scope of responsibilities and authority can vary depending on the bylaws you establish, but in general you want to create a group of people who help you set the strategic direction, offer sound advice, and assist with fundraising. States differ in the number of board members required for a non-profit, but the IRS will generally want to see at least three if you plan to fundraise. The majority of your board members should be disinterested members, which means they aren't compensated by or beneficiaries of the organization's services. Board members should also lack a close personal or business association with staff members.

There are a variety of ways to structure your organization with respect to the board's control, but they break down into two categories: board governed or membership governed. If the organization is board driven, there are typically no members, or the members have very limited rights. If the organization is member driven, voting members have the power to elect and remove the board of directors. Voting members have statutory rights under state law; therefore, it is important to understand the structure you're creating right from the start. If it's not your intention to place ultimate control in the voting members, you will need to clearly define the rights of members. All of this will be clearly stated in your bylaws; you can download Part II to learn more.

As you identify the individuals with whom you'll be running your organization, you'll want to consider their passion for the cause, qualifications, availability, and willingness to serve. In our experience, the most successful board members are strong strategic thinkers—they have the ability to stay focused on the big picture, set direction, and delegate tasks. People who excel at managing details and getting things done are very valuable in a non-profit organization, but they tend to lack the strategic viewpoint needed to sit on a board. You also want to create a board that will challenge you to excel and succeed. Your board shouldn't be a collection of your closest friends who are doing you a favor and will agree with everything you say.

A final note about building your board: don't be overly concerned with handing off control of the organization you're trying to start. There are many ways to build in founder protections in a board-governed organization, and an experienced non-profit attorney can help you create the appropriate language for what you want to accomplish.

Interview questions for potential board members

Are you passionate about our mission and vision?

While your mission and vision may evolve once the board gets to work, you should have a working draft at a minimum when you approach prospective board members.

Do you have the time to participate?

Let the board member know how often you plan to meet and what other time commitments will be required so he or she can make an informed decision.

Are you willing to help with fundraising? Do you have applicable connections?

The board's approach to fundraising can vary widely. Some organizations require board members to raise or contribute a set amount of money each year.

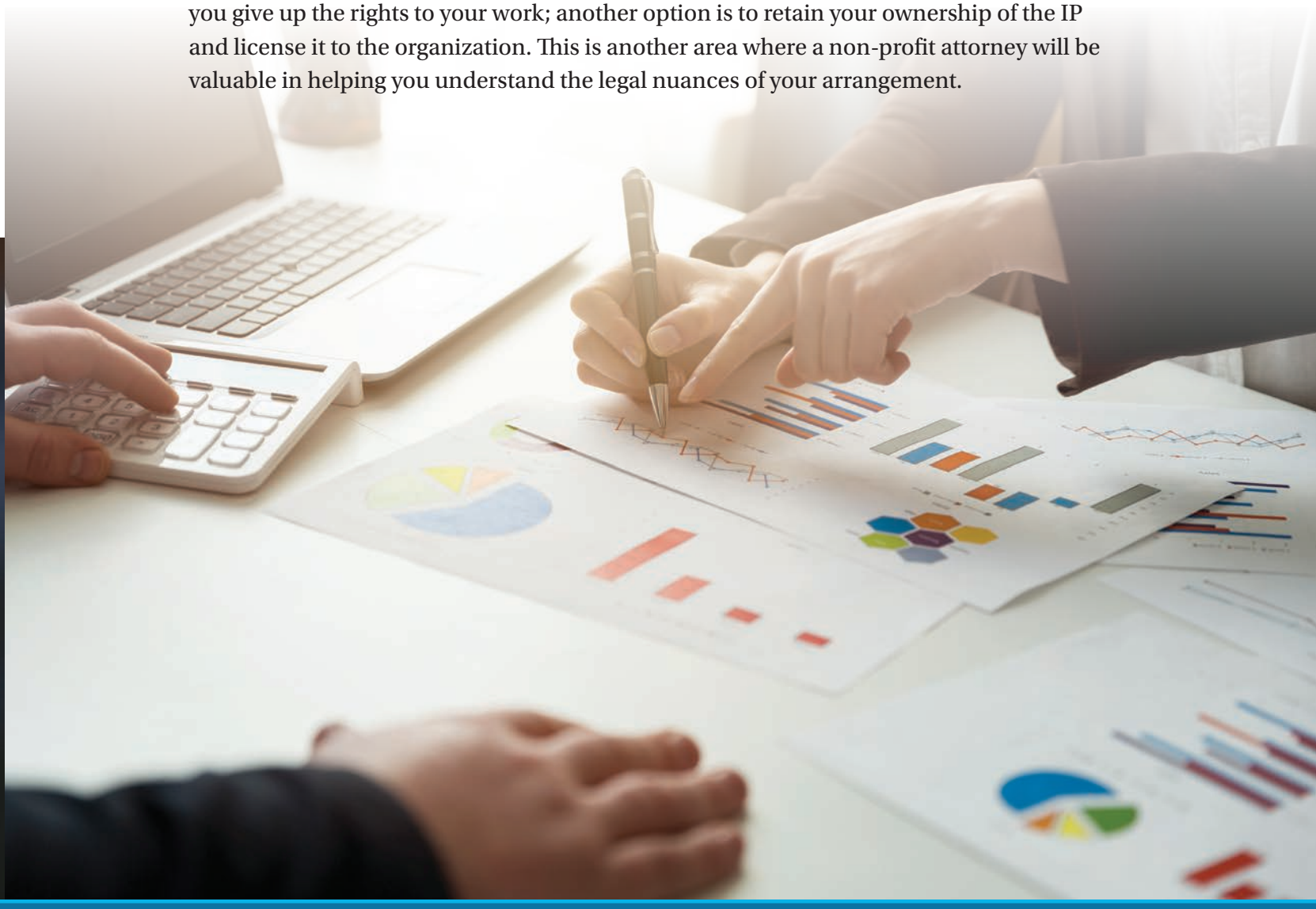
What experience do you have serving on non-profit boards?

5. CLARIFY OWNERSHIP OF ASSETS

One big difference between for- and non-profit corporations is ownership. In a non-profit, there's no stock or ownership because, legally speaking, there's nothing to own. The most typical arrangement involves control vested in the board of directors and assets owned by the corporation. Because there's no ownership, you as the founder don't sell the organization if you wish to leave or retire—when the founder leaves, control reverts to the board of directors.

When you're starting out, it's relatively common for the founder to put his or her own money in as seed money. It's critical to formalize your expectations for those funds right at the beginning. Is the money a gift? Is it a loan that you expect to be repaid? You'll need to have disinterested board members (i.e. not your spouse or someone otherwise related or financially connected to you) approve the arrangement.

Depending on the type of organization, you may also be contributing intellectual property you created prior to incorporating. If you contribute that intellectual property, you give up the rights to your work; another option is to retain your ownership of the IP and license it to the organization. This is another area where a non-profit attorney will be valuable in helping you understand the legal nuances of your arrangement.



Now that you've laid the groundwork

to start a non-profit organization, you're ready to begin the legal process of formalizing your organization: forming a corporate entity and applying for tax-exempt status. A charitable organization can be structured as a non-profit corporation, trust, or unincorporated association. You may also structure your charitable organization as a limited liability company (LLC) if it is a subsidiary of another charity. However, for liability protection and ease of operation, start-ups commonly favor the corporate form. Accordingly, this article will focus on non-profit corporations.

In this guide, we're going to walk you through the basic steps of filing articles of incorporation, writing bylaws and governance policies, obtaining a tax identification number, and applying for tax-exempt status.

If you haven't already done your research and created a business plan, we strongly recommend you stop here and download Part I: Five things to do before you form the entity and apply for tax-exempt status.

1. PREPARE & FILE ARTICLES OF INCORPORATION

Filing the Articles of Incorporation begins the organization's legal existence. Although you'll apply for tax exemption through the federal government, your organization's corporate formation is a state designation. Some states will also require you to apply separately for state tax exemption.

Much of the work you did in Part I will be included here. The Articles of Incorporation must contain the following information:

- ☐ Name of the corporation, satisfying state and federal legal requirements *(see Part I for more about choosing a name)*
- ☐ Specific purposes for which the organization is being created
- ☐ Name and address of each person who will serve as an initial director
- ☐ Name, street address, and signature of the corporation's statutory agent—that is, an individual or organization located in the same state in which you're establishing the corporation and who will receive any official government and legal notifications
- ☐ Street address of the known place of business for the corporation, if different from that of its statutory agent
- ☐ Name and address of each incorporator (minimum requirement of one)
- ☐ Whether or not the corporation will have members
- ☐ Signatures of all incorporators
- ☐ Initial incorporators, directors, and officers may also have to complete additional forms depending on the state of incorporation

Look to the agency in your state that handles incorporation for pdfs of the documents you'll need to complete:

- ☐ Articles of Incorporation for tax-exempt, non-profit incorporations
- ☐ Statutory Agent Acceptance

Note that state forms typically do not include any tax provisions. The failure to attach them will cause the IRS to reject your application for tax-exempt status.

In order to apply for tax exempt status under Section 501(c)(3), your Articles of Incorporation must include the following:

EXEMPT PURPOSE

To qualify for tax-exemption under Section 501(c)(3), the Articles of Incorporation must limit the corporation's activities to tax-exempt purposes. The purpose statement should be broad and flexible enough to give the organization room to evolve, without being so all-encompassing that it would permit non-exempt activities. The tax-exempt purposes set forth in IRC Section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and the prevention of cruelty to children or animals. The term charitable includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government; lessening of neighborhood tensions; elimination of prejudice and discrimination; defense of human and civil rights secured by law; and combating community deterioration and juvenile delinquency. Several of these purposes have separate tests that must be met to qualify. A qualified non-profit attorney will be able to ensure you are selecting the most appropriate purposes and ensure you meet their various tests.

RESTRICTIONS

To qualify for tax-exempt status, certain activities must be limited or prohibited. The restrictions may vary depending upon the type of exemption sought. There are numerous categories of exempt corporations, as well as many sub categories. The tax language differs for each; a qualified non-profit attorney will be able to help you select the appropriate type of entity and put the correct language in place.

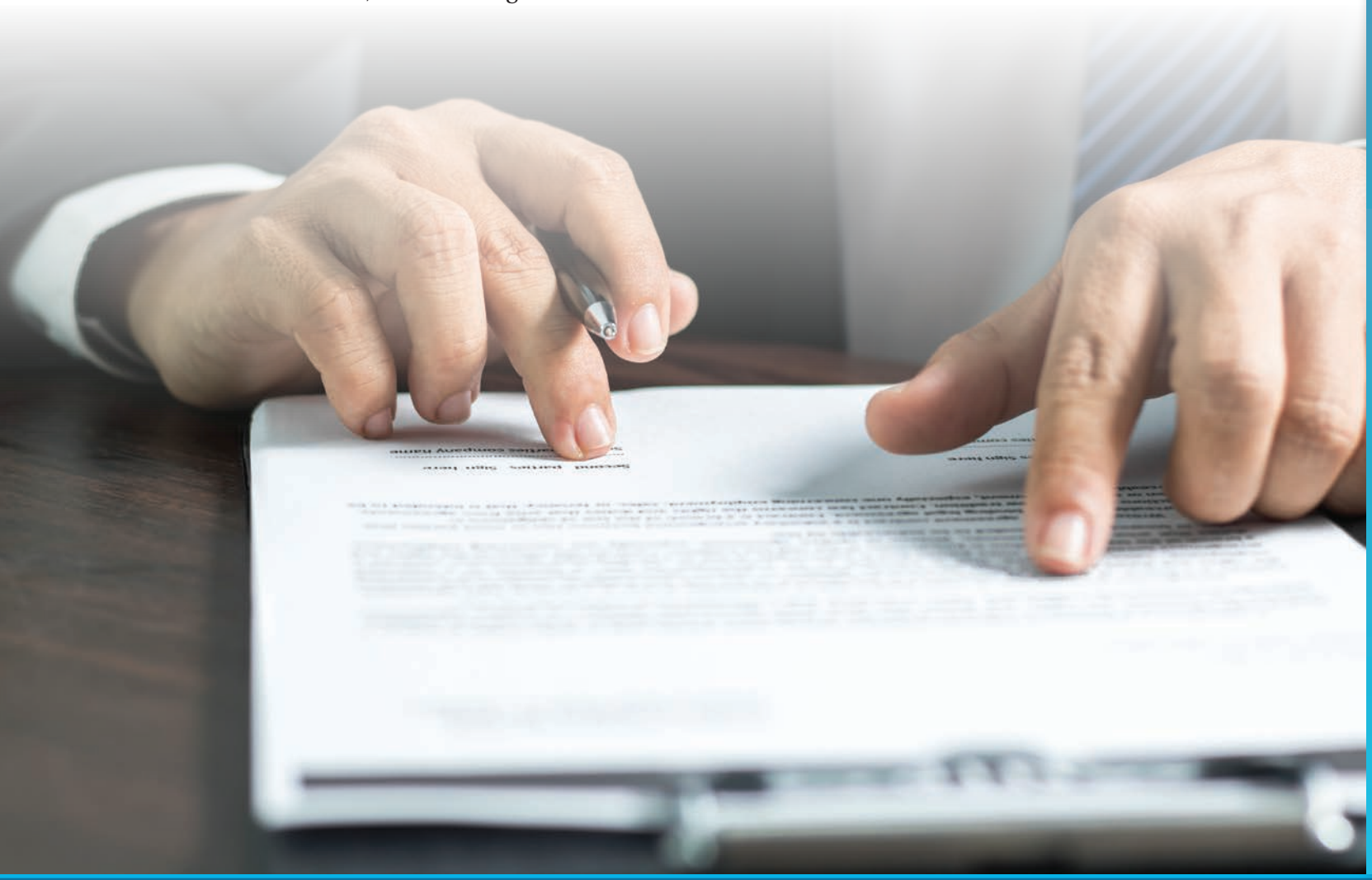
DISSOLUTION CLAUSE

For certain types of exempt entities, including 501(c)(3) organizations, the corporation's assets must be permanently dedicated to appropriate tax-exempt purposes. Most commonly, the Articles of Incorporation include a clause that requires the assets to go to another tax-exempt organization upon dissolution of the corporation. ***Failure to include these provisions will result in the application for tax-exemption being rejected.***

2. PREPARE THE BYLAWS

We can't stress enough how important it is to take a thoughtful approach to crafting your bylaws. If you don't have bylaws, the state statutes will serve as your default bylaws in any dispute; by writing your bylaws, you have the opportunity to customize the rules that will apply to your non-profit.

Boards and board committees sometimes spend months (or even years!) trying to draft the perfect set of bylaws. Too often, they look to bylaws of other nonprofit organizations or samples gleaned from the Internet with no regard to whether the bylaws match the structure and style of the organization or even comply with their state's laws. Unfortunately, this approach usually leads to confusion, delay, and conflict on the board. The better practice is to work with a knowledgeable attorney from the beginning, starting with a state-law-compliant template and tailoring it to the needs of your organization. The bylaws should include, at a minimum, the following.



BYLAWS:
WHAT TO INCLUDE

A. GOVERNANCE STRUCTURE

Will your organization be board driven or member driven? If the corporation is controlled by the board, there are typically no members, or the members have very limited rights. If the organization is member driven, the members are typically voting members who have the power to elect and remove the board of directors. Remember, voting members have statutory rights under state law; therefore, it is important to understand the structure you're creating right from the start. If it's not your intention to place ultimate control in the voting members, you will need to clearly define the rights of members to avoid that result.

B. CONTROL PROVISIONS

Generally, no one owns a nonprofit corporation; however, there is always control. Once you determine whether ultimate control will be vested in the board or members, there are some additional considerations that impact who will exercise influence over the organization. In many states, a non-profit corporation can have a board or members that are appointed by third parties or whose positions are tied to an office or position. Reserved powers and super-majority votes can balance power among competing interest groups in a nonprofit corporation. For example, reserved powers require approval of one or more members, delegates, or stakeholders to take certain actions—such as removing a director, appointing a replacement, amending governing documents, etc. Super-majority votes require directors holding more than a majority of the votes to agree before certain actions can be taken.

C. DIRECTORS' TERMS

The terms of office for directors can be either successive or staggered. Successive terms all end at the same time; staggered terms mean that directors are divided into groups whose terms are up at different times. The benefit of staggered terms is that they can promote continuity on the board by ensuring there is always a group of experienced directors on the board while the new directors are getting up to speed. However, organizations without staff often struggle to monitor each director's term. The benefit of successive terms is that they are easier to implement. The bylaws should also address how directors are removed and replaced.

D. EX-OFFICIO DIRECTORS

If desired, your bylaws can include ex-officio directors, who aren't subject to terms. Instead, the board seat is tied to a particular office. For example, the President may be an ex-officio member of the board. If so, whoever holds the office of President will automatically be a member of the board. If the President steps down and a new President is appointed, the new President would automatically become a member of the board because the board seat is tied to the office rather than the individual. Ex-officio members can be voting or non-voting.

E. OFFICERS

The bylaws should clarify who the officers of the organization are, how they are elected or appointed, their terms, their duties, and how they are removed and replaced. The most common offices are President, Secretary, and Treasurer. Bylaws should also state whether all officers must also be directors or whether staff members can serve as officers. Officer's duties should also be tailored to reflect whether they are actually doing various tasks or merely overseeing them.

F. VOTING PROCEDURES

How will the directors or members vote on important matters? Establish the number of directors who must participate to hold a valid a meeting (i.e., a quorum) and the number of votes required to be an act of the corporation. This section should also summarize many of the statutory requirements (such as notice requirements) for ease of reference. Note that a corporation with voting members will need to spell out the voting rules applicable to members as well as directors.

G. COMMITTEES

Rather than outline the rules for ad-hoc committees, it is generally preferable to streamline the bylaws and reduce the need to pass amendments by simply stating how committees may be created and abolished. State in the bylaws what authority may be delegated to committees and what actions must be taken by the full board. Committees can then be created and abolished by board resolution rather than a cumbersome bylaw amendment. Many organizations like to provide a provision authorizing advisory committees that can be used to involve additional members of the community in a less formal way or to groom future leaders of the organization.

H. CONFLICTS OF INTEREST

Modern bylaws often include provisions stating how the corporation will manage transactions where there is a conflict of interest between the corporation and an insider. Improperly managed conflicts of interest are one of the quickest routes to IRS penalties and accusations of breaches of fiduciary duty. Accordingly, it makes sense to provide a procedure for handling conflicts in the bylaws for easy reference. Alternatively, the bylaws can require the corporation to adopt a separate conflict of interest policy.

I. AMENDMENTS

Include a process for amending the bylaws—they may be amended by the board, by the membership, with the approval of a third party, or some combination of these. Some boards choose to require a super-majority vote to pass bylaw amendments to ensure a high degree of consensus before changes can be made.

Your bylaws should, at a minimum, include all of the above. Beware the temptation to over-engineer your bylaws—doing so can create issues in the future that could've been easily avoided. You want to avoid frequent needs to amend the bylaws when a simple resolution could suffice. The following is a list of things you should leave out.

BYLAWS: WHAT NOT TO INCLUDE

A. INFORMATION THAT WILL CHANGE FREQUENTLY

The bylaws should reflect the fundamental rules governing the organization that are not likely to change frequently. Items like staff job descriptions, detailed committee charters, rules for conducting the annual meeting, guidelines for fundraisers, etc. are better suited for board resolutions or the nonprofit's policies and procedures manual.

B. PROCESSES AND PROCEDURES THAT ARE IGNORED IN PRACTICE

Many ambitious boards impose numerous procedures with strict deadlines in the bylaws. Examples include specific deadlines for meetings, notices, reports, committee action, etc. If the board is not going to carefully adhere to these procedures and deadlines, it is far better to omit them. If the processes and procedures called for in the bylaws are not followed, those who disagree with board actions may find a way to challenge the board's decisions based on a technicality.

C. DETAILED PROVISIONS OUTLINING THE NON-PROFIT'S PURPOSES AND ACTIVITIES

It's very common for extensive purpose clauses to become obsolete over time as the mission evolves. When this happens, the bylaws have to be amended to reflect the organization's current activities. Rather than risk a conflict between the articles of incorporation, the bylaws, and the organization's actual activities, stick to a broad tax-exempt purpose clause that will permit the organization's activities to evolve over time.

D. AMBIGUOUS MEMBER PROVISIONS

Voting members of a non-profit corporation are analogous to shareholders. While they do not have ownership rights, they usually have rights to select board members and approve key decisions. Many state non-profit corporation statutes will grant members certain rights unless the bylaws expressly limit their powers. Some state statutes even grant rights to voting members that cannot be overridden by the articles of incorporation and bylaws. Once voting members have been created, their consent is usually required to reduce their rights—use extreme caution when making references to members in your bylaws.

E. REFERENCES TO ROBERT'S RULES OF ORDER

It's common for non-profits to reference Robert's Rules in their governing documents. Robert's Rules can serve as a useful guideline for large boards; however, many people do not realize that Robert's Rules of Order require much, much more than just a motion and a second. It's a comprehensive body of work that, among other things, permits challenges to board actions on a technicality. If your bylaws incorporate Robert's Rules and the board hasn't fully followed them, board actions are open to challenge in the event of a dispute. The better practice is to reference Robert's Rules as a guideline rather than a requirement—or better still, leave it out.

F. COMPLICATED DUE PROCESS OR CAUSE PROVISIONS FOR REMOVING DIRECTORS AND OFFICERS

If a majority of the board of directors have determined that an individual needs to be removed, due process and cause provisions only draw out the process and create legal hurdles the individual can use against the nonprofit. This may make sense for an organization where expulsion could lead to economic consequences, such as a professional society. Otherwise, it's in the non-profit's best interest to have the ability to remove problematic individuals without due process and without cause. Note that, under the laws of many states, members have a right to due process and those rules should be reflected in the bylaws.

G. STATEMENTS REQUIRING THE NONPROFIT TO COMPLY WITH THE LAW

Absent such a provision, would your board feel empowered to break the law? Such clauses are redundant and unnecessary.

Once the key terms related to a non-profit corporation's governance structure, control provisions, director's terms, officers, and voting procedures are clearly articulated, carefully review the document and remove redundant, overly complex, and frequently changing items. You'll be left with a workable document to guide deliberations.

3. PREPARE GOVERNANCE POLICIES

We recommend that newly formed charities adopt certain key governance policies, which are helpful to attach to your application for tax-exempt status. Many states have required policies, so look into your state's specifics. The nature of your organization may require specific policies. In general, include the following policies:

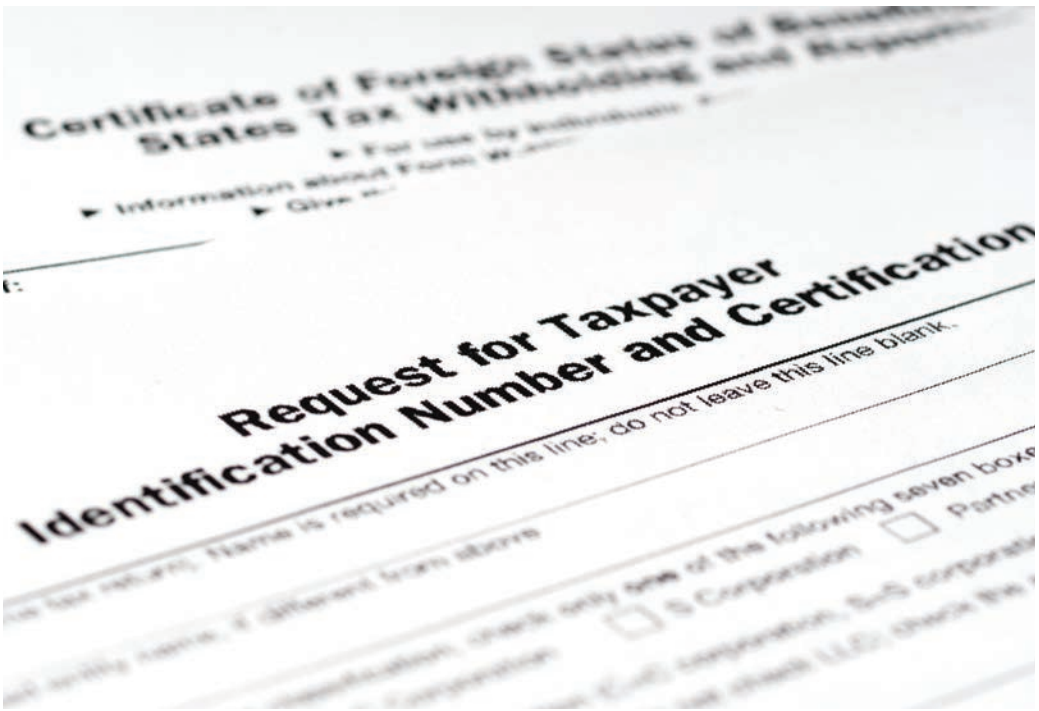
- Conflict of interest
- Whistleblower and document retention and destruction policies that comply with Sarbanes Oxley's criminal provisions
- Gift acceptance
- Compensation
- Fundraising
- Travel and expense reimbursement
- Form 990 review
- Confidentiality
- Signature authority
- Joint venture

4. HOLD AN ORGANIZATIONAL MEETING

At the organizational meeting, the incorporators will appoint the rest of the board if they have not already done so in the articles. They will also approve the corporation's articles and bylaws, adopt governance policies, pass a banking resolution authorizing the opening of a bank account, and authorize the hiring of staff.

5. OBTAIN A TAX IDENTIFICATION NUMBER

In order to open bank accounts, the corporation will need to obtain a tax identification number from the IRS. A Federal Employer Identification Number (EIN) is a taxpayer number issued by the Internal Revenue Service. It's similar to a social security number for an individual but is used for a corporation or other business entity. Every legal entity must have an EIN. An organization seeking recognition of income tax exemption must have an EIN before submitting its application to the IRS. Apply for your EIN by filing Form SS-4, Application for Employer Identification Number. Be sure to check the correct boxes. If the IRS classifies your organization as the wrong type for tax purposes, it can be very difficult to make changes.



6. APPLY FOR TAX-EXEMPT STATUS

Once you've formed your non-profit organization, you need to apply for tax-exempt status through the federal government so that your organization doesn't have to pay federal taxes on money raised. Tax exempt status also allows your donors to deduct their donations on their tax returns. To obtain 501(c)(3) status, newly formed entities must apply to the IRS. Entities seeking 501(c)(3) status apply by filing Form 1023 or Form 1023-EZ. The IRS has adopted a two-tier system to speed processing time.

→ FORM 1023-EZ (SHORT FORM)

Organizations that expect to receive no more than $50,000 a year for the first three years and have assets of less than $250,000 may be eligible to file Form 1023-EZ. The 1023-EZ process does not require a detailed business plan or budget, but you will need to articulate your tax-exempt purpose and answer questions about your plans. 1023-EZ applications are typically approved within about half the time of the longer Form 1023. 1023-EZs also qualify for a reduced filing fee of only $275 (as opposed to $600 for the traditional 1023). Schools, churches, support organizations, successors to existing organizations, and certain other types of entities are excluded from using the 1023-EZ process, but it's a time and money saver for organizations that qualify.

→ FORM 1023 (LONG FORM)

Form 1023 requests considerable detail regarding the charity's planned programs and activities. The attitude of the IRS is that requiring applicants to articulate detailed plans is a small price to pay for the significant tax benefits associated with 501(c)(3) status. However, it may be difficult for a newly formed organization to outline its operations without first knowing if it will be successful in obtaining 501(c)(3) status. The filing fee for Form 1023 is $600.

→ TIMING

The IRS has a process to screen applications, and applications that raise no issues during screening are processed within a few weeks to a few months. If the IRS screener has any issues or concerns, the application is assigned to a specialist for review. Once a file has been assigned, we usually receive follow-up questions within a few weeks, but that time can fluctuate due to government shut-downs or other events that create backlogs. The time required to resolve follow-up questions depends upon the complexity of the issues and the experience and training of the specialist.

It's possible to request expedited processing of the application in

cases where the applicant has been offered a grant that will lapse unless the entity obtains 501(c)(3) status by a certain date. You will need to submit evidence of the grant with the request to expedite.

Until you receive your determination letter from the IRS, you should disclose to potential donors that an application for 501(c)(3) status is pending. If the application is filed within 27 months of the date of incorporation and is ultimately approved, the entity's 501(c)(3) status will be retroactive to the date of incorporation. Donors who claim a charitable deduction before the IRS issues its determination letter assume the risk that the organization's application will not be approved. Many non-profits work with a fiscal sponsor during their start-up period to ensure donors that contributions will be deductible.

Form **1023**
(Rev. December 2017)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ **Go to *www.irs.gov/Form1023* for instructions and the latest information.**

OMB No. 1545-0056

Note: If exempt status i
approved, this
application will be oper
for public inspection.

Use the instructions to complete this application and for a definition of all ***bold*** *items.* For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at ***www.irs.gov*** for forms and publications the required information and documents are not submitted with payment of the appropriate user fee, the application may be returne to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I – XI of Form 1023 and submit only those Schedules (A through H) t apply to you.

Part I **Identification of Applicant**

1 Full name of organization (exactly as it appears in your **organizing document**)		**2** c/o Name (if applicable)	
3 **Mailing address** (Number and street) (see instructions)	Room/Suite	**4** Employer Identification Number (EIN)	

TIPS AND TRICKS FOR SUCCESSFULLY COMPLETING FORM 1023

→ NARRATIVE STATEMENT

Newly formed organizations often struggle to articulate their plans with the level of specificity the IRS demands. We recommend providing at least a paragraph or two describing the who, what, when, where, and how of each of the entity's programs or activities. Narrative statements that are very brief tend to elicit additional questions from the IRS. Narrative statements that go on for pages create an impression of trying too hard. Try to keep your narrative statement around one to two pages total.

→ LANGUAGE MATTERS

Many applicants unknowingly use language that has a specific meaning in tax-exempt organization jargon. This can confuse the IRS and generate long lists of questions that may not apply, but nevertheless must be responded to. For example, there are strict rules that govern whether scientific research is "in the public interest" or "commercial." Statements that the organization conducts "research" are likely to trigger a list of questions pertaining to scientific research. The terms advocacy, partnership, political, and publishing can cause similar confusion. A qualified non-profit attorney will be able to ensure you are framing your plans in the best possible light using language that will raise the fewest questions.

→ ANCILLARY DOCUMENTS

Often, the IRS will ask applicants to provide various contracts; grant applications and agreements; scholarship applications and guidelines; cost sharing agreements; and other evidence supporting the applicant's plans. We have found that preparing and submitting drafts of the documents for planned activities with the application for exemption can streamline the process significantly.

As you can see, there are a lot of nuances involved in formalizing your non-profit entity and applying for tax-exempt status. In order to set your organization up for long-term success, we strongly recommend consulting with a non-profit attorney, even if you plan to complete the paperwork yourself.

Caritas Law Group has served non-profits of all types and sizes for over 20 years. We specialize in providing corporate, tax, regulatory, and general business advice to non-profit, tax-exempt, and mission-based businesses. Contact us today to learn how we can help you start your non-profit off the right way.

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