

# **CREATING A NONPROFIT ORGANIZATION**

~ A PRIMER FOR THE BEGINNER ~

## A. LEGAL FORM

1. CORPORATION
2. UNINCORPORATED ASSOCIATION
3. LLC
4. TRUST

## B. TAX STATUS (Apply online on Form SS-4 for FEIN)

1. IRC SECTION 501
  - a. 501(c)(3): Charitable; educational, etc.
    - i. Cal Revenue & Taxation Code Section 23701d
  - b. 501(c)(4): Civic/social welfare
    - i. California Revenue & Taxation Code Section 23701f
      1. Lobbying organizations
      2. Ballot measure committees
  - c. 501(c)(6): Trade Associations; Business Leagues; Ch of Commerce
    - i. California Revenue & Taxation Code Section 23701e
  - d. 501(c)(7): Social club
    - i. California Revenue & Taxation Code Section 23701g
2. IRC SECTION 527
  - a. Organization to support/oppose candidates for office or Presidential electors
    - i. California Revenue & Taxation Code Section 23701r
  - b. Register on Form 8871 if a PAC, but not a candidate committee

## C. SECRETARY OF STATE

1. Articles of Incorporation:
  - a. Sample forms online or prepare own; obtain corp number
2. Statement of information Form SI-100:

- a. Due after incorporation and every two years in anniversary month of incorporation

D. INTERNAL REVENUE SERVICE

1. File Online Application for Exemption

- (a) Form 1023 for 501(c)(3)
- (b) Form 1024-A for 501(c)(4); Register on Form 8796; Self declare
- (c) Form 1024 for other 501(c)s

2. Informational Tax Returns

- (a) Form 990, 990-EZ, or 990-N
- (b) Due 4.5 months after fiscal year
- (c) Public charity file original with IRS & copy with CA AG
- (d) Available for public inspection

E. FRANCHISE TAX BOARD

1. File Paper Application for Exemption

- (a) Form 3500 full application
- (b) Form 3500-A simple application with IRS Ex letter

2. Informational Tax Returns

- (a) Form 199 or 199-N
- (b) Due 4.5 months after fiscal year
- (c) Confidential – Not public information

F. ATTORNEY GENERAL (CA Government Code Sections 12580 – 12599.8)

1. Register paper application on Form CT-1 if a public charity
2. Section 501(c)(4) ballot measure committee exempt
3. File Form RRF-1 annually at same time as Form 990 filed
4. File copy of Form 990 with AG when Form RRF-1 filed