

Blazing-fast: Charter, By-Laws and Tax Exemption

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OHN2017

- Slides, handout, sample by-laws and more available
YourCaringHouse.org/OHN2017
- Aka = OHN2017



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Timeline Big Picture

Think It Through				
	Create and File Charter			
		By-Laws, Board, EIN, bank account, etc.		
			File for 501(c)(3)	
				File for State Exemption



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About the Charter

- State law -- nonprofit corporation statutes
- Who can amend?
- Choosing a name (carefully)
 - State list of names already in use
 - Google search
 - US Trademark search > www.uspto.gov/trademark



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About the Charter (cont'd)

- Required statements (State and Federal)
 - Statement of purpose (specific vs. general)

Example #1 (too specific)	Example #2 (just right?)
The purpose of this corporation is to create a six bedroom home in Altoona, California for persons on hospice who cannot afford home care or nursing home care.	The purpose of this corporation is to provide compassionate care in a home-like residential setting for persons at the end of their lives, to provide support for their families, and to carry on other related activities.



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About the Charter (cont'd)

- Required statements (State and Federal)
 - Dedication to charitable purposes
 - See Sample Articles of Incorporation at OHN2017
- Meet “the Incorporator”
 - See Sample at OHN2017



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About By-Laws

- State, Now and Forever
- Sample at OHN2017
- The board of directors (aka, trustees)
 - How many? Who elects them?
 - Terms of office? Staggered terms?
 - Term limits? Compensation?
 - Removal, resignation, attendance requirements?



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About By-Laws (cont'd)

- The board of directors (aka, trustees)
 - Meeting rules (schedule, quorum, voting, action without meeting, etc.)
- The officers
 - President/CEO, Treasurer/CFO, Secretary; Others?
 - Responsibilities? Who elects them? Terms of office?



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About By-Laws (cont'd)

- Who can amend?
- Designate fiscal year



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About Tax Exemption

- Federal and State
- Why does it matter?
- What's a 501(c)(3)?
- All charities are nonprofits
- Not all nonprofits are charities
 - 34 IRS nonprofit categories, for 22 No contribution deduction
- Real property taxes and sales taxes are separate



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More Tax Exemption and Taxes

- Once incorporated, obtain EIN from IRS
- Obtaining IRC 501(c)(3) determination
 - IRS Form 1023-EZ (streamlined) not available if you project gross receipts exceed \$50,000 in any of the next 3 years? (incl. this year)
 - IRS Form 1023 (not EZ), interactive version (online, with hints) or Hardcore version (28 pages)
- State exemption is separate



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