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# Steps to Becoming a “Non-Profit Organization”

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Capell Barnett Matalon & Schoenfeld LLP

# Disclaimer

The information provided in this presentation is intended to be general and educational in nature. It is not intended to constitute or be a substitute for legal advice, and should not be relied upon as such.

Each individual's situation is unique, and the information presented may not apply to your specific circumstances.

This presentation does not create an attorney-client relationship. Always consult with a qualified legal professional before making decisions about legal matters.



# William McManus

Associate

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William McManus' practice focuses on advising not-for-profit, religious, and tax-exempt entities on corporate governance, compliance with state and federal not-for-profit regulations, internal investigations, and regulatory enforcement actions. William is experienced in guiding New York not-for-profit, and religious corporations in their formation and governance and regularly advises clients on tax-exemptions and regulations of tax-exempt organizations. William also counsels clients on managing their assets, including charitable giving and endowments, with a strong emphasis on the real estate needs of those entities. In William's real estate practice, he represents not-for-profit and religious corporations that are real property owners in complex, large-scale development transactions, including multifamily affordable housing, mixed-use projects, and other real estate developments. He also regularly advises on real estate acquisition, financing, and leasing.



## – What does it mean to be a “nonprofit”?

- The term is often used but lacks legal meaning.
- Every “nonprofit” has a legal and tax personality which work together.



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## — When and Why are you forming?

- Why are you seeking to form a “nonprofit?”
- Do you need to form your own “nonprofit?”
- Is this the right time in your organization's life to seek formal recognition?





# Choice of Corporate Form

In New York State:

- Religious Corporation
- Not-for-Profit Corporation
- Education Corporation



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## — Essential Corporate Documents

- Certificate of Incorporation
- Bylaws
- Corporate Policies (Conflict of Interest/Whistleblower/etc.)



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## — Tax-Exempt Status – 501(c)(3)

### Form 1023

- Pay.gov
- 1023
  - \$600 filing fee
- 1023-EZ
  - \$275 filing fee

### Form 990

- IRS website



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## — Form 1023

**Part I:** Identification of Applicant

**Part II:** Organizational Structure

**Part III:** Required Provisions in Your Organizing Document

**Part IV:** Your Activities

**Part V:** Compensation and Other Financial Arrangements

**Part VI:** Financial Data

**Part VII:** Foundation Classification

**Part VIII:** Effective Date

**Part IX:** Annual Filing Requirements



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# Questions?

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