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**Not for Profit Corporation Check List of Process and Application Forms**

1. Write a mission statement and corporate purpose that is specific, defined, and honed. This is a time-consuming process that requires detailed thought and editing.

2. Decide under what section of 501(c) you are forming and operating, given your corporate purpose and mission statement. Must be one that allows donations to be tax deductible and not all allow donations to be tax deductive. Research the various 501(c) sections. Aim for 501(c)(3), since those generate tax deductible contributions. If your corporate purpose is not tax deductible, then don’t bother applying for IRS Tax Exempt status, since you will spend a fortune for the purpose of becoming tax exempt, it will not be granted, and your donors may not donate if you are not tax exempt.

3. Decide if the business will qualify as a public charity under 509(a)(2) before filing.

4. Determine the “Charitable Purpose” language required by the IRS under 501(c), for your type of organization,

5. Fold the 501(c) “Charitable Purpose” language into the “Purpose Clause” of articles of incorporation, and fold that into your own state’s “corporate purpose” required for NFPs. This is a time-consuming process that requires some detailed thought and editing. The Illinois Articles, and the Not for Profit Corp Purpose in IL, must contain the “magic language” of 501(c) (3) in order to be granted IRS tax exempt status. [Have a lawyer review this, as the language must be precisely correct.]

6. Don’t form entity until you have the corporate purpose written to include the “magic language” of 501(c), plus your own state’s required language. If not, it will get bounced by the state and bounced by the IRS on 1023.

7. Form Corporation: File Articles of Corporation as a Not For Profit Corporation, with Illinois Secretary of State (or your state), using the above “Charitable Purpose” language, making sure that the Not for Profit Corp Purpose in IL is also incorporated into that language from 501(c)(3). List yourself as the registered Agent. Use your own address. [Have a lawyer file the Articles of Incorporation, as there are many landmines]. Do not use a filing service or an accountant; you will have to spend money to correct their filing errors. [If you filed on your own and it was bounced, then have a lawyer review the Articles of Amendment and the Purpose Amendment before re-filing.]

File in duplicate. Request that a filed, stamped duplicate copy be returned to you.

Recommend filing by “expedite” using Corp-Link Services, Inc. filing service, so it is filed seamlessly and effective on the same day as filing.

8. When forming the NFP Corporation, obtain at the same time from the IL Sec of State, a Certified copy of Illinois Articles of Incorporation (NFP 102.10) and all attachments and Amendments, as filed, to date.  Articles of Inc. are required to be submitted with the 1023, so you need a copy. Copy does not have to be “Certified” if it is a newly formed corp. Check current 1023 instructions before you form or order this to assure that it does not need to be Certified. Or just buy a “Certified” copy anyway, and then you have it.

You don’t need a Certificate of Good Standing, unless the corporation has been formed for a while, usually more than a year. If more than a year old, order from your state a “Certificate of Good Standing”.

9. If the NFP Corporation is already formed, Amend the Articles of Incorporation to reflect the 501(c)(3) language incorporated into your own corporate purpose/ mission statement.

10. File IRS SS-4 to apply for Tax ID, making sure to avoid landmine questions.

A. Must state NFP and state the purpose to be consistent with Articles.

B. “No Employees” in the early stage. [Talk to lawyer before hitting send button. Save a copy of what you sent!!!]

C. List address and contact person with the IRS to reflect your address and your correct officer titles. In addition to other offices, someone must be listed as Treasurer. List also the person that you want to received tax return forms and tax return info.

11. Write Bylaws for a Not for Profit, public charity, without members, that is supported by donations rather than membership fees. Not all Bylaws are alike!

12. Write corporate Resolutions for the formation, officers’ election and other corporate formalities

13. Find out if [local city] requires a business license for a NFP to operate. Or for you to operate out of a home office.

14. Start filling out the Form 1023. (Fillable PDF.) This takes a lot of time and effort, start a few sections at a time. Then stop and gather info needed. Thoughtful answers required. Read for internal consistency. They ask the same answers in more than one place, so make sure your answers are internally consistent.

15. Prepare to pay for the 1023 filing fee. $850.

16. 1023 Application for NFP Exemption (501(c)(3) (new address, new parts 9, 10 and 11). IRS Forms to Complete:

1. Form 1023 Application
2. Eliminate the Advance Ruling Process (This eliminates form 872-C was the advance ruling request)
3. 8718 – User Fee Payment Form
   1. $400 for < $10,000 in Revenue
   2. $850 for >\_ $10,000 in Revenue
4. 8821 Tax Information Authorization
5. 2848 Power Of Attorney
6. Expedite Request (no form Number)
7. 5768 – Election for Political Lobbying expenditures

17. Enclosures to the IRS Form 1023:

1. Articles of Incorporation If you filed on your own before seeking counsel, give copy to counsel to determine what Amendments need to be filed to correct the corporate purpose and others.)
2. Amendments to Same
3. IRS SS-4 Tax ID Application and the CP575 Letter. Get copies of the IRS SS-4 as filed, and the IRS “CP575 Letter” as issued when Tax ID issued. (Do not settle for just the CP575, you also need the SS-4 as filed.) Scan copy to PDF. Emails counsel a copy to determine how you answered various questions that affect future filings, including the 1023.
4. Bylaws
5. Nondiscriminatory policy
6. Financial statements and projections: 5 years back, or 3 or 4 years forward
7. Read the 1023 Instructions in detail and enclose EVERYTHING they ask for, and follow all instructions on how to answer and file.

18. Complete Illinois REG-1 in paper (don’t do the online version.) Don’t file yet, just complete the Form. (Can’t file REG-1 until 1023 is filed and tax exempt letter is issued.)

19. Start Filling out the Illinois Attorney General CO-1 (Probably one is available online) (Can’t file CO-1 until 1023 is filed and tax exempt letter is issued.)

20. When IRS makes comments, respond to them immediately. Seek help from counsel; don’t send this letter on your own.

21. When IL AG makes comments, respond to them immediately. Seek help from counsel; don’t send this letter on your own.