

**Not For Profit and Tax Exempt Entity
Organization and Maintenance Checklist**

I. Initial Organization

A. Organizational Documents

1. Articles of Incorporation - NFP 102.10
 - a. Corporate Name
 - b. Registered Agent
 - c. At least three directors
 - d. Statement of Purpose
 - e. \$50 Filing Fee
2. Bylaws – Official rules of how the organization will be run
 - a. Organizational Purpose
 - b. Voting
 - c. Meetings
 - d. Members, Directors and Officers
 - e. Salaries
 - f. Committees
 - g. Amendments
 - h. Indemnification
3. Organizational Minutes
 - a. Initial election of directors and officers
 - b. Ratification of organization
 - c. Adoption of initial documents, such as Bylaws and Conflict of Interest Policy

B. Registration as Charitable Organization

1. Illinois – Pursuant to Charitable trust and Solicitation for Charity Acts – Forms CO-1&2
 - a. Must register if you are based in, solicit contributions from, or hold over \$4,000 for a charitable purpose in Illinois
 - i. Information about the organization and copies of organizational documents
 - ii. Director and Officer information
 - iii. Methods of Solicitation
 - iv. Financial Statements
 - v. \$15.00 Filing Fee (\$200.00 if not filed within 10 days of initial solicitation)
2. Other States – Most other states require registration if you solicit contributions from its citizens

C. Application for Federal Employer Identification Number (EIN) – SS-4

II. Tax Exemptions

A. Federal Income Tax –

1. §501(c) of the Internal Revenue Code – 28 types of entities eligible – most common are 501(c)(3) organizations, which are entities, “*operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition or for the prevention of cruelty to children or animals.*”
2. Benefits can include both exemption from federal income tax and tax deductibility of certain contributions
3. Typically must apply for the exemption by filing Form 1023
 - a. Information about and copies of the organizational documents: specific language required
 - b. Narrative description of activities and copies of any printed materials
 - c. Compensation of directors, officers, employees and independent contractors
 - d. Disclosure of family or business relationships
 - e. Conflict of interest policy
 - f. Material leases, contracts, loans and other arrangements
 - g. Benefits to organization’s members
 - h. Statements regarding certain specific activities, such as political support, gaming, methods and areas of solicitation, affiliations, intellectual property, connection to foreign countries and organizations and other specific activities
 - i. Detailed financial statements
 - j. Public charity or private foundation status
 - k. Specific information regarding churches, schools, hospitals, supporting organizations, homes for the elderly, handicapped or low income residents, successor organizations and/or provision of scholarships, fellowships or other educational loans or grants
 - l. Filing Fees
 - i. Gross Receipts < \$10,000 = \$300.00
 - ii. Gross Receipts > \$10,000 = \$750.00

B. Illinois Sales and Use Taxes

1. Available to any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes, nor to any not-for-profit corporation, society, association, foundation, institution or certain senior citizens organizations.
2. Must apply for an exemption number with the Illinois Department of Revenue
 - a. Copies of organizational documents and printed materials
 - b. Narrative of Activities
 - c. Financial statements

- d. IRS exempt organization determination letter, if applicable

C. Illinois Property Taxes

1. To qualify for a property tax exemption, the organization must:
 - a. be an exclusively beneficent and charitable, religious, educational, or governmental organization
 - b. own the property that is used exclusively for charitable, religious, educational, or governmental purposes and not leased or used for profit
2. Must apply for exemption at the county level
 - a. IDOR Form PTAX-300 (PTAX-300R for religious organizations)
 - b. Photo of the property
 - c. Copy of the deed or other proof of ownership
 - d. Notarized affidavit of use
 - e. Copies of any leases of the property

III. Basic Maintenance

A. Annual Meetings/Consent Minutes

1. Annual
 - a. Elect directors and officers
 - b. Ratify actions of previous directors and officers
2. Special
 - a. Major decisions, including those specified in the General Not-For-Profit Corporation Act should be recorded in minutes from special meetings or consent minutes

B. Annual Report – Illinois Secretary of State’s Office

C. Return of Organization Exempt from Income Tax

1. Form 990 – Gross Receipts > \$100,000; **or** Total Assets > \$250,000 at year end
2. Form 990-EZ – Gross Receipts between \$25,000 and \$100,000; **and** Total Assets < \$250,000
3. Form 990-N - Gross Receipts < \$25,000
4. Form 990-PF – Private Foundations

D. Federal and State employment taxes and unemployment insurance, if applicable

E. Charitable Organization Annual Reports

1. Illinois – Form AG990-IL, with the Attorney General’s Office
2. Other States as Necessary