

501 C 3 how to create

Here is a file of all of my notes when creating this website. This is a word file DOC. If you cannot open the file you can download **Ashampoo® Office Free** at

<https://www.ashampoo.com/en/usd/pin/0738/office-software/Ashampoo-Office-Free>

Step 1 *** choose a corporate name

Step 2 *** Check the Availability of the name

Step 3 *** Creating Corporate Documents: Articles of Incorporation, By-Laws and Minutes
a) Lions Clubs getting LCI approval ... use of Name and Logo

Step 3a *** Incorporation filing with State (OR)

Step 4 *** Getting you Employer Identification Number (EIN)

Step 5 *** Applying for 501(c)3 status with IRS.

STEP 6 *** Creating bank accounts.

STEP 7 *** IRS tax filings 990-N, 990-EZ and 990

Costs involved in creating “Oregon Springfield Lions Foundation”

- | | |
|----------------------------------|-------|
| 1. State of Oregon Incorporation | \$ 50 |
| 2. IRS 1023-EZ filing | \$275 |

Additional:

- | | |
|-----------------------------------|-----------|
| 3. Bank accounts (Admin/Activity) | \$200-400 |
|-----------------------------------|-----------|

Optional:

- | | |
|-------------------|------|
| 4. NOLO books (2) | \$50 |
|-------------------|------|

Please Note: When ever you see “**EMAIL**” that is referencing the fact that the displayed/written material is from an email correspondence which outlined a procedure.

UNDERLINED text usually refers you to document or PDF file on the website

In an effort to keep this information page concise I am placing additional information on a separate reference page. You may peruse through some of the articles if you so desire for further edification.

Introduction: See document for 501(c)3 outline/procedures

My name is Dale Howard and I have been a paralegal in both immigration and criminal defense law. I have dealt with state and federal filings. So with that in mind I have researched the creation of a 501(c)3 process. What I am about to talk about has to do with forming a 501(c)3 as it relates to Lions Clubs. However, the same process can be used by individuals who are looking to create a 501(c) 3 status for their organization. So you will be seeing references that only pertain to Lions Club and any procedures that are necessary in order to create a 501(c)3 for an individual shall be marked with 3 asterics " ***". Some of the information shared here will be taken from **EMAILS** that I had with the Jordan Valley Lions Club as I walked them through the 501(c) 3 process. They are building a Community Center so their financial requirements are greater than most Clubs would be forming under.

***** LEGAL DISCLAIMER *****

THE FOLLOWING MATERIAL RELATING TO FORMING A 501(C)3 IS NOT TO BE MISCONSTRUED AS TO RENDERING LEGAL ADVICE. ALL MATERIAL IS A REPRESENTATION OF INFORMATION GLEANED FROM THE FOLLOWING LISTED BOOKS, GOVERNMENT GUIDES/MANUALS AND INFORMATION SHARED BY LIONS CLUB INTERNATIONAL.

I utilized five books when preparing this information.

1) The Complete Idiot's Book for Creating A Non-Profit (co. 1998)
2) Incorporating In Oregon Without A Lawyer (co.1991-1993) Books for other States can be found at Consumer Publishing Incorporated
9317 Barrington Blvd. S. W.
Knoxville, TN, 37922-6210
(615) 539-2462

3) **[Start a 501c3 Nonprofit That Doesn't Ruin Your Life: How to Legally Structure Your Nonprofit to Avoid I.R.S. Trouble, Lawsuits, Financial Scandals & More!: Nonprofit Law Series, Book 1](#)** paperback (\$24) kindle (\$13) Amazon.com (click on title for website)

I HIGHLY RECOMMEND THESE NEXT TWO BOOKS (PDF form can be shared with others) from NOLO.com (Premiere Legal References)

4) How to Form a Nonprofit Corporation

A Step-by-Step Guide to Forming a 501(c)(3) Nonprofit in Any State (\$27.99 with honey discount)
<https://www.nolo.com/companion/how-to-form-a-nonprofit-corporation-NNP.html>

5) Every Nonprofit's Tax Guide

How to Keep Your Tax-Exempt Status & Avoid IRS Problems (\$19.59 with honey discount)
<https://store.nolo.com/products/every-nonprofits-tax-guide-nirs.html>

To begin with **YOU MAY NOT WANT TO FORM A 501(C)3**. In some cases you can use some other organization's 501(c)3 status to cover your project. This is referred to as a **FISCAL SPONSORSHIP** (sample contract below). I have a friend who started a theatrical study group to help children create self esteem and come out of their shells. She is friends with Meryl Streep and is partially funded by the "Tom Hanks Foundation". Her school district has 501(c)3 status. They love her program which has become incorporated in most of their schools. My friend can solicit donations which are made out to the school district but earmarked for her program. The Eugene Downtown and Springfield Lions Clubs put on a Womans's Symposium for the local area for two consecutive years. They asked the Eugene Downtown Foundation to be a sponsor so they could make donations for the symposium deductible. The Eugene Downtown Foundation turned them down either because it was not in the scope of their foundation's purpose or out of fear of being liable incase there were any legal issues/suits. However, the Yachats Lions Club accepted the sponsorship. So in essence a Fiscal Sponsorship was created if not actually acknowledged through written communication.

[z-lions fiscal sponsor contract2](#)

OTHER SOURCES FOR CREATING A LIONS CLUB 501(C)3

Before undertaking the search to create a 501(c)3 for the Springfield Lions Club I also checked out other resources. Professional Accountants wanted \$120-180 per hour to set up the 501(c)3. But they would not do any legal work like creating the Articles of Incorporation and By-Laws. Local attorneys would create a 501(c)3 for between \$1500-1700 which wasn't bad considering attorney's mostly charge \$100 or more an hour. So 15-17 hours wasn't to bad for the work that had to be done. I also checked online and with the LCI legal department. LCI was associated with a group CSC which would do everything including getting permission to use the Lions name and logo for between \$2500-2700 which included filing fees. (see PDF file below) I found Floyd Greene, CPA in Georgia which would do a 501(c)3 for around \$700 including filing fees. I strongly encourage anyone to check out Greene accounting website at: **EMAIL *****

I am sending you a reference for a company I looked into before doing the 501(c)3 process myself. I signed up to receive their information and articles which covers all aspects of running a 501(c)3 organization. They also send out reminders when it is time to file required forms with the IRS.

Website: <http://www.floydgreencpa.com/>

Subscription page to receive free notification emails

<http://www.floydgreencpa.com/index.php/articles-2>

Dale H.

Forming a 501(c)3 pdfs.

How to Start a 501c3

Make Sure the Purpose Qualifies for 501c3

One of the first decisions will be to determine whether the organization should be a nonprofit organization. Upon deciding this, the organization must then check and verify whether it qualifies as a 501c3. To qualify as a 501c3, the organization must be set up for charitable, educational and/or religious purposes.

Examples of some of the organizations that qualify include the following:

-  Churches
-  Animal Shelters
-  Amateur Sports Teams and Leagues
-  Culture Preservation
-  Transition Housing
-  Ministries
-  Community Outreach
-  Schools
-  After School Centers
-  Youth Mentoring or Tutoring
-  Disaster Relief
-  Scientific Research
-  International Support
-  Mobile Clinics
-  Thrift Store
-  Veteran and Soldier Support
-  Health Awareness
-  And Many Others.....

Moving Forward with the 501c3 Setup

There is some essential information needed in order to proceed with the nonprofit application for a 501c3. Before an organization starts its process they should decide on the following questions:

-  What is the name of the Organization?

 Who will be the signing officer?

 The person who will sign all the documents.



 What are the mailing and physical addresses of the organization?

 They can be the same address.



 What is the tax year end month?

 Most organizations choose December. Lions Club is June in most cases.



 What is the main purpose and activities of the organization?

 This is what are you wanting to accomplish with this nonprofit and how you plan on doing this.



 Which category does the organization's purpose fall under?

 The categories are charitable, religious, literary, educational, scientific, or prevention of cruelty to children or animals.



Once the organization has considered and answered those questions, they are able to move on to the next stage of filing all needed documents.

*** To begin with I have a letter which gives a simplified outline of forming a 501(c) 3 Corporation. In this letter I state that your board of directors needs to have at least 3 persons (President, Secretary, and Treasurer). When incorporating your business with the state there are 2 other positions or titles which can be filled by one individual. They are Incorporator and Resident Agent. The Incorporator is the individual who creates the Corporation or files the Corporation with the state. The Resident Agent is the individual who will be receiving all communication from the state and the federal IRS division. Anytime that you have a change of corporate officers you will need to file an amendment with the state . You will be required to pay an additional fee. In the state of Oregon that fee is \$50 which is the same amount as when you originally create your corporate identity. The state will also bill out annual renewal fee (Oregon \$50 usually you can make changes to officer list at that time as well).

ALSO, recognize that all documentation relates to the formation of the 501(c)3 organization for "Oregon Springfield Lions Foundation" . Anywhere you see that name you should insert your own Corporate Name.

OSLF forming 501c3

a100 steps for

PLEASE NOTE: on the Forming 501(c)3 Checklist I listed a fee of \$95 for registering an EIN. There is no fee for this process. Do note that if you file for an EIN number and you

decide to change the NAME of your 501(c)3 organization before submitting your IRS application you must create a NEW EIN REGISTRATION as there is only one number allowed/given per business entity.

The incorporating process:

Step 1 *** choose a corporate name... If you are a Lions Club you want to be specific in the name you choose as referenced by Lions Club International. You cannot use the word " Association" within your title. Because there are many Clubs which may have the same city name for example," Springfield Lions" you may also want to have your state name listed in your corporation title "Oregon Springfield Lions Foundation".

LCI per their outline requires that the name give a Geographical reference, as well as, the word Lions and preferably with the term "Foundation" included but there are Lions' 501(c)3 organizations with out "Foundation" in their name.

Step 2 *** Check the Availability of the name with your individual state (Secretary of State Business/Corporate Division) GOOGLE "state name Secretary of State"

For Oregon You can check on the availability of the name at

<https://sos.oregon.gov/business/Pages/find.aspx>

I would also GOOGLE the corporate name you have chosen to make sure that there is not an identical name being used by another business some where else in the World.

"Search for the name online. Type the name in quotation marks: "name" to see if any nonprofits in the same class (offering similar products and services) are using the name or a name very close to yours. Search Federal Trademark Filings. Search for the name within the United States Patent & Trademark registrations. Visit www.USPTO.gov. You want to look at pending, active, and inactive filings as well. Search State Trademark Registrations. All 50 states allow owners to register their trademark on a state level. It is often cheaper than the federal registration process and provides protection throughout the state – although a federal registration gives you rights throughout all 50 states and can supersede a state registration. You can complete this search by going to the Division of Corporations website for each state and searching their trademark filings for the name you are interested in. Search state company registrations. All 50 states allow nonprofits to register their companies. You want to search to see if any other companies are registered using your name. Although registering by itself does not give them rights, using the name with their products and services to the public in commerce does. You can complete this search by going to the Division of Corporations website for each state and searching their corporate filings (be sure to look for all of the business types including nonprofits, corporations, etc.) for the name you are interested in. Search domain names. You can visit www.GoDaddy.com and select the "Who Is" option to see who owns the domain name if it is already taken. Try and search for the company and owner to see if they are actively using the name in association with similar goods and services as yours. Get a Legal Opinion. It's always less expensive to do things yourself. However, trademark law is interpreted very specifically. This means that just because you feel that your name is

not similar, or you feel that someone has abandoned their rights to a name, does not mean the law or a judge would see it the same way. The few hundred dollars that you invest in hiring an attorney to know for sure could save you thousands of dollars defending a lawsuit later down the road.

Chisholm, Audrey. Start A 501c3 Nonprofit That Doesn't Ruin Your Life: How to Legally Structure Your Nonprofit to Avoid I.R.S. Trouble, Lawsuits, Financial Scandals & More! (Nonprofit Law Series) (Kindle Locations 930-932). Greenlight Books & Publishing, LLC. Kindle Edition.

Some states also allow you to have a "ABN" (Alternate/Auxiliary/Assumed Business Name) you do not have to use it for banking purposes as any checks made out to your ABN (example OSLF Oregon Springfield Lions Foundation) will be recognized by the bank for deposit purposes. This was explained to me by my banking representative from Umpqua Bank.

When I first looked at the Oregon Springfield Lions Foundation I was thinking that I would have to file a separate "ABN" (Alternate/Auxiliary Business Name) as directed by someone I spoke with at the State Corporation Division. However, my main concern was so that people could use the acronym "OSLF" for Oregon Springfield Lions Foundation when writing a check. Umpqua bank representative told me that they would accept those checks with OSLF because they could be associated with the name on the account.

Step 3 Creating Corporate Documents:

Before we go any further we will need to create your Articles of Incorporation/Constitution, By-Laws, Mission and Vision statement (last two are Lions specific) You may also GOOGLE under search wording of "free Articles of Incorporation" and "free By-Laws" to find websites that will help you/let you create those specific documents as it pertains to your State.

Also under Optional Provisions

I would include the following: **THIS PERTAINS TO LIONS CLUBS ONLY**

"The Oregon Springfield Lions Foundation is chartered by, and under the jurisdiction of, the International Association of Lions Clubs of Oak Brook, Illinois and is governed by the Constitution and By-Laws of said Association."

IN THE CASE OF THE JORDAN VALLEY LIONS CLUB: They were building a Community Center hence they needed wording in their PURPOSE statement to the fact that they would have an ASSET of LAND and PROPERTY. I sent them a copy of the Catholic Community Center Inc. Articles of Incorporation which contained the wording:

Catholic AOI PDF

EMAIL

1:35 PM (0 minutes ago)

Virginia Howard

to Diana

Here is some resources GOOGLE'd "community center by-laws"

This is an interesting free site where you can create Articles of Incorporation and Bylaws for free. Chose state then Non-Profit. I didn't go all the way through the website start-finish but it looks legit with no cost involved. Check it out!

[https://www.formstemplates.com/bylaws/?utm_source=google&utm_medium=cpc&utm_term=+by%20+laws&utm_content=350111466894&utm_campaign=static_by_laws_b&utm_adgroup=by_laws&utm_network=g&utm_device=c&utm_placement=&utm_country=us&utm_producttype=formstemplatesdotcom&utm_product=bylaws&utm_matchtype=b&utm_landingpage=2018cp4&utm_aceid=&utm_adposition=&headline=Create Free Company%20Bylaws Online&utm_sitelinkid=8473830&gclid=Cj0KCQjwn7j2BRDrARIsAHJkxmwp_hlOyr9DgIVds67D4-oamHkr39a4NRE-YmgOVT8BIL3vE7HBSUkaAtQOEALw_wcB](https://www.formstemplates.com/bylaws/?utm_source=google&utm_medium=cpc&utm_term=+by%20+laws&utm_content=350111466894&utm_campaign=static_by_laws_b&utm_adgroup=by_laws&utm_network=g&utm_device=c&utm_placement=&utm_country=us&utm_producttype=formstemplatesdotcom&utm_product=bylaws&utm_matchtype=b&utm_landingpage=2018cp4&utm_aceid=&utm_adposition=&headline=Create+Free+Company%20Bylaws+Online&utm_sitelinkid=8473830&gclid=Cj0KCQjwn7j2BRDrARIsAHJkxmwp_hlOyr9DgIVds67D4-oamHkr39a4NRE-YmgOVT8BIL3vE7HBSUkaAtQOEALw_wcB)

Website by laws for various Community Centers

<https://topangacommunitycenter.org/about/by-laws/>

<http://www.mthood.info/hoodlandseniors/bylaws/>

Most of everything here is specific to a Community Center's and appears to have the same content of what we have already established. Peruse through some of this and see if there is any specific changes or additions. Let me know. I am putting the final touches on the 501(c)3 website (<http://501c3.bigbig.com>) and hope to have it finished by the end of this month. Mainly a lot of files to download and arrange.

Dale Howard
Springfield Lions Club Publicist/Webmaster

PDF files of Community Center By-Laws

LIONS CLUB THE FOLLOWING IS FOR YOU: Sample exhibits from LCI and OSLF included

EMAIL response from Jordan Valley Lions inquiry

Dear Lion Fillmore,

Thank you for submitting the application for your proposed Jordan Valley Community Center foundation. Please allow me to provide the following guidance.

Lions clubs wishing to receive the 501(c)(3) exemption are required to create a second charitable organization, known at Lions Clubs International as a “foundation.” This foundation can then be eligible for 501(c)(3) status as a separate legal entity. The club remains a 501(c)(4) under the group exemption of Lions Clubs International and its charitable activities can then be operated through this second entity. The club then ends up with two legal entities; the Lions club (under the group exemption) and the Lions foundation (under the 501(c)(3) exemption), each having its own EIN and completing its own tax filings.

To form a Lions foundation, the by-laws and policies of Lions Clubs International provide that the applying club must request authorization from Lions Clubs International. Also, the applying Lions foundation must satisfy criteria established by the International Board of Directors (Exhibit A). Please submit the following for review and authorization to the Lions Clubs International Legal Division:

1. A completed application for use of the Lions name and/or emblem (Exhibit B).
2. A copy of the minutes or resolution of the club indicating the support of the Lions club in the formation of the said Lions foundation (Exhibit C).
3. A copy of the proposed Articles of Incorporation and Constitution and/or By-Laws for the Lions foundation (Exhibits D and E, respectively).

We are in receipt of your application and meeting minutes, so please submit the remaining documentation. Attached to this email are sample Articles of Incorporation, By-Laws, and Resolutions, which have been pre-approved by Lions Clubs International to meet the criteria established by the International Board of Directors. These samples may assist your club in developing your own documents for filing. Please be sure to also verify that any Articles of Incorporation and By-Laws your foundation adopts meet the requirements of incorporation under the laws of the state in which the lions foundation is to be formed.

I trust I have provided guidance in this matter. Should you have any additional questions, please do not hesitate to contact the Legal Division.

Kindest regards,

Jeff Vogel
Paralegal // Legal Division
Lions Clubs International
+1.630.468.7097 // direct
+1.630.571.0953 // fax

K-1,2

Step 3a * Filing with your state:**

Register as a new Corporate Business: Domestic Non-Profit Corporation - see attached Oregon Springfield Lions Foundation/OSLF electronic filing.

<http://filinginoregon.com> REGISTER NEW BUSINESS follow instructions list your company as a Domestic Non-Profit Corporation

The filing fee is \$50 and will be renewed each year at the same rate. You can AMEND your filing at any time for an additional \$50 fee. You may be able to change officer designations when you renew your corporation or you may have to file a separate AMENDMENT for that purpose. Check with Oregon Secretary of State Office to be sure (My information did not address this issue).

Step 4 * Getting you Employer Identification Number (EIN)**

Once your organization name has been accepted through incorporation procedures with your state you need to establish an EIN number. The EIN will be used by the IRS in order to recognize your organization once your 501(c)3 status has been approved.

EMAIL

On Tue, Apr 14, 2020 at 1:47 PM Virginia Howard
<springfieldlionsclub@gmail.com<mailto:springfieldlionsclub@gmail.com>> wrote:
> After you have filed your organization name with the Secretary of State then you need to get
an EIN for identification purposes when filing for 501(c)3 status.
>
> EIN website
>
> [https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-
identification-number-ein-online](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)
>
> When you receive notification of your organizations EIN number they will inform you that
you have to file a tax form 1120 by a certain date. I have included a sample 1120 tax form
from 2018 for reference. File to big will send in separate reply.
>

> Also, just located the IRS Compliance Guide so send that as well for reference!
>

EIN form SS-4

Once you receive confirmation of the EIN number you will be told that you file for 1120 by specified date.

form 1120

Step 5 * Applying for 501(c)3 status with IRS.**

Your next step will be to decide if your organization will earn a) \$50,000 and less or b) more than \$50,000. If a) then you will file form 1023-EZ and pay (\$275 one time as of 05/15/20) or b) file form 1023 and pay (\$600 one time as of 05/15/20). After three years of annually filing a) form 990-N or b) filing form 990-EZ the IRS will determine your actual status filing. If you fail to file form 990 (EZ/N) in a three year period you will lose or jeopardize your 501(c)3 status. You can appeal the decision or get your 501(c)3 reinstated at a latter time after meeting certain criteria.

990 forms can be found at <https://www.irs.gov/charities-non-profits/annual-filing-and-forms>

Also, which form to file can be found at <https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in> (already discussed above).

EMAIL

On our next step (filing for 501(c)3) Have you decided if you are going to elicit funds \$50,000 or less or greater than \$50,000 per year?

>

> Also, you will require an NTEE (IRS Activity Code) for your organization. A full list of NTEE designations can be found at this website

>

> <https://nccs.urban.org/publication/irs-activity-codes>

Copies of other Clubs designations

There is a pre-filing questionnaire that everyone needs to fill out before proceeding on to the actual filing of IRS form 1023-EZ/1023. It is pretty standard and I have included a copy of the form as filled out for “Oregon Springfield Lions Foundation”.

[1023-ez pre questionnaire](#)

[1023 instructions](#)

[forms 1023-ez / 1023](#)

<https://www.irs.gov/charities-and-nonprofits>

<https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>

You will be requested by IRS to set up a payment through their payment system. I used my wife's credit card and she was reimbursed through out Club (Springfield Lions Club).

<https://www.pay.gov/public/form/start/62759871>

You can check to see if your 501(c)3 has been approved (before receiving letter of determination) by going to or by - Notice: If you need to obtain the current status regarding your application, please contact the IRS at 1-877-829-5500.

Please wait 30 days after payment to contact the IRS about the status of this application.

<https://apps.irs.gov/app/eos/>

Here is the link: Exempt Organizations Select Check

You will download the Pub 78 file which is updated weekly/monthly. You will then have to scroll down to your EIN number. If you don't see your organization name/EIN on the list keep trying.

<https://www.irs.gov/charities-non-profits/exempt-organizations-select-check>

pic oslf ein listing

STEP 6 * Creating bank accounts.**

You will want to create two new checking accounts (Administrative/Activity). Your bank (per Umpqua Bank, Oregon) will need the following in order to create the new accounts.

- 📄 Board/Membership Minutes specifying that it is the intent to create the new accounts (see below)
- 📄 EIN notification letter
- 📄 IRS 501(c)3 determination letter.
- 📄 Signature cards of Board Members (President, Treasurer and Secretary) If you already have a 501(c)4 bank account and the same people are on the signature cards as you will be using with the newly formed 501(c)3 organization then you won't need new signature cards unless something is being changed or added.
- 📄 Because of Non-Profit status monthly Business Account fees should be waived.

STEP 7 *** IRS tax filings 990-N, 990-EZ and 990 (see pic for determination of which form is needed).

PIC

MOST INFORMATION CAN BE RETRIEVED BY GOING TO <https://www.irs.gov>
BUT I DO HIGHLY RECOMMEND THE NOLO BOOKS ESPECIALLY THE TAX ONE!