

Non-Profit formation list

Below is a sequential list of services that must be performed in the process of forming an entity as a non-profit public charity

(1) Define and prepare a purpose statement for the organization that will be incorporated into several documents including the Articles of Incorporation, Bylaws, and application for recognition by IRS of exempt status. Note that a non-profit entity's purpose must satisfy a public interest and for common good.

(2) prepare draft written Conflict of Interest Policy

(3) Obtain information concerning the non-profit: for example, who will be identified on the Board of Directors (requires at least three individuals); business address; who will be identified as officers; will there be opportunities for membership in the Organization. Note that a meeting with an accountant/financial advisor/tax advisor (Financial Advisor) will likely be needed to discuss the financial structure and tax consequences for the non-profit.

(4) Search for potential conflict with naming the non-profit organization “_____”.

(5) Finalize name of non-profit; prepare and file Articles of Incorporation (government fee is approximately \$70)

(6) apply for and obtain EIN; obtain state ID if recommended by Financial Advisor

(7) prepare Corporate Bylaws – identifies membership requirements and appoint first officers

(8) prepare written action to be signed by Board that adopts Bylaws, Conflict of Interest Policy, etc.

(9) Prepare application for recognition of tax exempt status (note that preparation of this application is time intensive and also requires a government filing fee of approximately \$400). Information to complete application will be obtained from organization and Financial Advisor

(10) After exemption letter is received from IRS, then prepare and apply for MN Sales tax exemption.

(11) After exemption letter is received from IRS, then prepare form to register the non-profit in MN as a charity

Required Annual filings:

IRS return – form 990

MN requires Charitable organization annual report; \$25 fee; and audited financial statement

Non-profit annual registration and \$25 fee