

# STEP BY STEP TO A NONPROFIT

*Decide if a new nonprofit is necessary.*

A successful nonprofit has a strong structure to support its programs. A detailed business plan helps you work through key operational issues and provides a road map to guide your efforts. But before going even that far, review the following questions and answer them as honestly as you can:

- Is there a group that is doing something similar to what you'd like to do? Can you work with them?
- Do you have someone to prepare paperwork and filings? Funding to pay start-up costs?
- Did you explore how to continue funding your organization once it's established?
- Do you have a business plan?
- Are there people willing to serve as the organization's directors?

*Then follow these steps:*

1. Choose a legal structure. Corporation is most often used by nonprofits.
2. Choose a name. Your name must be unique. Search at: <https://www.nvsilverflume.gov/home>
3. Form a board of directors
4. File a Nonprofit Corporate Registration Form online at the Nevada Secretary of State's website. Cost: \$50 <https://www.nvsilverflume.gov/startBusiness>
  - i. Attach a page to include the IRS-required language describing the nonprofit purpose.
  - ii. Your registered agent must sign.
  - iii. The IRS requires specific language in the articles of incorporation to qualify for 501(c)(3) federal tax exemption. Refer to <https://www.irs.gov/pub/irs-pdf/p557.pdf> for guidance and sample language.
5. One month after filing the corporate registration form, file a list of officers/directors and charitable registration online at the Nevada Secretary of State's website. Cost: \$25. A state business license is not required for nonprofits. <https://www.nvsilverflume.gov/startBusiness>



Provided by the Nevada Arts Council - Community Arts Development Program  
716 North Carson Street, Carson City, NV 89701 Phone: 775-687-6680

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**6. Meet and approve your bylaws. There are many websites out there with free help in establishing a nonprofit, feel free to pull ideas for bylaws from them. Meet with your directors to approve your bylaws and keep minutes of this meeting. It is part of your organization's permanent record. <http://www.leg.state.nv.us/NRS/NRS-082.html#NRS082Sec181>**

**7. Get an employer ID number from the IRS. An Employer Identification Number (EIN) is your account number with the IRS and is required regardless of whether the organization has employees. Include the EIN on all correspondence to the IRS.**

**How to apply: [http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)**

**Submit form SS-4: <http://www.irs.gov/pub/irs-pdf/fss4.pdf>**

**8. Acquire tax exempt status from the federal government (final status could take 6 months to a year). Cost for this is between \$400 and \$850 and depends on your proposed yearly income.**

**How to apply: <http://www.irs.gov/pub/irs-pdf/p4220.pdf> Fill out form 1023 or 1023-EZ**

**Note: 1023-EZ worksheet must be completed prior to completing Form 1023-EZ. This is where your business plan will come into play.**

**9. After the IRS issues a "determination letter" of tax-exempt status, you may begin soliciting charitable donations and applying for grants. This may be done while you are still waiting for final acceptance from the IRS by using a fiscal sponsor.**

**Once you have completed the start-up process, there will be annual filings and requirements to maintain your status with both the state and federal government. There may also be required reporting due from those organizations or entities from which you have received donations or grants.**

- ✓ Annual filing with the state includes your list of officers/directors and is due on the anniversary of your initial filing date.
- ✓ Annual federal reporting to the IRS (IRS Form 990)  
<http://www.irs.gov/pub/irs-pdf/f990.pdf>
- ✓ Submit any required reports to funders and/or acknowledge contributions from individual donors.



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