

Steps to Creation of Legal Nonprofit

1. Choose name, create by-laws & articles, recruit at least 3 initial board members
2. Check availability for proposed name with US Department of Patents and Trademarks website as well as the Montana Secretary of State's Office
3. File Articles of Incorporation/ and a copy of your organization's bylaws with MT-SOS.
4. File IRS form SS-4, Application for Employer Identification Number (EIN).
5. Prepare IRS form 1023, Application for Recognition of Exemption under Section 501(c)(3). Expect the approval to take at least 3 to 4 months, possibly more. Review Form 1023 and attachments with an attorney or CPA well versed in the nonprofit realm.
6. Send Form 1023 to IRS and enclose the fee (up to \$850)
7. Upon receipt of your Approval from the IRS, file a "Tax Exempt Status Request" with the Department of Revenue.

501(c)(3) – Form 1023 Questions

- If the Trust does not anticipate raising more than \$50,000 per year in its first three years of existence and does not currently have \$250,000 or more in assets, it is possible to apply for tax exempt status using the 1023EZ. Recommend filing EZ form – thoughts?
- Would the trust provide compensation to any trustees?
- What types of fundraising will the Trust engage in? - mail solicitations, email, personal, vehicle donations, foundation grants, government grants, phone solicitations, website donations, donations from another organizations website, or??
- Will the trust use a professional fundraiser (conducting active solicitations, as opposed to counsel/structure)?