

Non-Profit Status / 501(c) Tax Exemption

For those organizations qualified and wishing to be exempt from federal taxes, the following information may be helpful. The Whitewater Student Government sponsored lawyer may provide advice as to your group's eligibility for non-profit status. Many groups choose to hire a lawyer to help navigate the application process. Note that it typically takes between six months and one year to receive not-for-profit status.

Are we qualified to be a non-profit organization?

To qualify for federal tax exemption [Code 501(c)(3)], your organization must be organized and operated exclusively for one or more of the following purposes:

- Religious
- Charitable
- Scientific
- Testing for Public Safety
- Literary
- Educational
- Fostering national or international amateur sports competition (but only if none of its activities involve providing athletic facilities or equipment)
- The prevention of cruelty to children or animals

To qualify, the organization must be a corporation, community chest, fund or foundation. A trust is a fund or foundation and will qualify. However, an individual or partnership will not qualify.

Some organizations may also be exempt under other sections of the 501(c) code, specifically Social and Recreational Clubs under 501(c)(7). College alumni associations, college fraternities and sororities, amateur hunting, fishing, tennis, swimming and other sports clubs; hobby clubs and others may be included in this section (Chapter 4, page 48)

At UW-Whitewater, the following categories of organizations are generally eligible for non-profit status, depending upon the mission of the specific organization:

- Club Sports
- Cultural (those whose mission is to eliminate prejudice and discrimination and/or defend civil rights)
- Faith-Based
- Greek
- Honorary
- Professional
- Service

How do we apply?

Applications must be in writing using forms supplied by the IRS. Specifically, Form 1023 and 1024 are utilized by most organizations (see Chapter 1, page 3). There is also an application fee, assigned based upon the type of group applying. To find the correct amounts for user fees and the length of time to process a request, call 1-877-829-5500 for assistance.

Forms 1023 and 1024 are found at: <http://www.irs.gov/pub/irs-pdf/>

Applicants must also have an Employee Identification Number (EIN); organizing documents including bylaws and conformed copy; appropriate attachments as determined through the application process; a description of the group's intended activities; and financial data (Chapter 1, pages 3-4).

Note: 501(c)(3) and 501(c)(7) organizations are required to submit a tax form (990 or 990-EZ) annually.

Sources: Internal Revenue Service (June 2008). *Publication 557: Tax-exempt status for your organization.* <http://www.irs.gov/publications/p557/index.html>

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