

WS-3 ENTERPRISES & ASSOCIATES, LLC.



*"Keeping Your 501c3 Compliant in 2017 and Beyond.."*

**Form 990.** Nonprofit organizations with 501c3 tax exempt status must file their Form 990 to maintain tax exempt status with the IRS. Many clients ask us are they required to renew their 501c3 with the IRS. The answer to that question is no. Nonprofit organization with 501c3 tax exempt status are not required to renew the 501c3 status. Organizations must file a Form 990 each year to maintain compliance with the IRS. This is an informational tax return that provides financial and other information to the IRS regarding your organization.

- Annual Renewal and Compliance through Form 990 (<https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>)

**Solicitation registration.** All nonprofits need to raise money to grow and thrive. You must register your nonprofit organization with each state that you are raising money in. Each state have a different process by which you register and there is no national standard. However, it is usually a relatively simple process to register. In many states, you can register online. The authority that you generally register with is the Attorney General office for the particular state.

- Registration and Annual Renewal (<https://www.ag.state.mn.us/Charity/InfoCharitableorgandTrusts.asp>)



IF you are soliciting donations there are some rules that apply, which you must be aware of.

- Do you want to register in more than one state? (<http://www.urscomply.com/charitable-registration-management-services.html>?

keyword=multistatefiling.com&gclid=ClerqOrynNMCFQilaQodTrgOHQ) and (<http://multistatefiling.org>)

- Are you aware of the Charleston Principles from National Association of State Charity Officials (NASCO) guidelines about internet solicitations? (<http://www.nasconet.org/wp-content/uploads/2011/05/Charleston-Principles-Final.pdf>)

**Corporation Renewal.** States generally require all corporations to renew their corporate status annually. The exact date varies by state. To renew your corporation, you are generally required to provide a small amount of basic information, including the organization's name, address, officers and the required renewal fee. If you fail to renew your corporation as required, the state will administratively dissolve your corporation. Having your corporation reinstated will require additional paperwork and penalties for late filings.

- Annual Renewal Form by December 31st each year (<http://www.sos.state.mn.us/media/1534/nonprofitrenewal.pdf>)

**Foreign Corporation.** Do your nonprofit operate in more than one state or are you thinking about adding your organization's activities in another state. To get started in an additional state, you will have to initially register as a foreign corporation. In subsequent years, you should renew your foreign corporation status annually, similar to the corporation renewal process.

- IF you're a nonprofit registered in another state, but want to do business in MN, you must register as a "foreign corporation", which qualifies your organization to do business



here. (<http://www.sos.state.mn.us/business-liens/business-forms-fees/foreign-corporation-nonprofit-or-cooperative-forms/>)

- IF you are a MN Nonprofit, and you plan to do business (occupy a physical office) in another state(s), you MUST file as a foreign corporation in that state(s). Simply go to the "Secretary of State" for that particular state.

**Payroll.** Are you an officer of an organization? Is it time to start paying yourself a salary? Nonprofit organizations are permitted to pay a reasonable salary. As an officer and / or board member of a nonprofit organization, you cannot pay yourself an excess salary. Also, when paying yourself a salary, the organization must properly handle all payroll tax and payroll tax filings.

- ([http://www.revenue.state.mn.us/Forms\\_and\\_Instructions/wh\\_inst\\_15.pdf](http://www.revenue.state.mn.us/Forms_and_Instructions/wh_inst_15.pdf))

**Form 1099.** When you engage a contractor to do work for your organization, you should be aware of the requirement that you may have to issue a form 1099 to the contractor at the end of the year. You should request that the contractor complete a form w-9, providing you with his or her name, address and tax identification number (SS# or EIN). You are required to issue the form 1099 to individuals who does work for your organization during the year when the payments for services are greater than \$600. You are not required to issue 1099s to corporations.

- ([http://www.revenue.state.mn.us/Forms\\_and\\_Instructions/wh\\_inst\\_15.pdf](http://www.revenue.state.mn.us/Forms_and_Instructions/wh_inst_15.pdf))