

STEPS TO CREATING A 501 (C)(3) NONPROFIT

LIBRARY FOUNDATION

1. It is essential that Friends groups and Library Foundations either apply for their own IRS nonprofit status or affiliate with a community foundation which can accept gifts for them.
2. If you choose to apply for 501 (c)(3) status, you should seek the assistance of a CPA or attorney.
3. The process usually takes at least six months to complete.
4. Create an organizing document that contains these provisions:
 - Limit the organization's purpose to one of the exempt purposes listed in Section 501 (c)(3) of the Code.

State that the organization cannot engage in activities that do not advance the exempt purpose.

State that the assets of the organization (money, property, etc) will be dedicated permanently to the exempt purpose listed.

5. Create by-laws for the organization.
6. Recruit a beginning Board of Directors for the organization. Most states put a minimum starting size for this.
7. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service. This can be done online, by mail or by phone.
8. File Articles of Incorporation with the State.
9. File IRS Form 1023 so the IRS can issue you a determination letter of your nonprofit status which exempts you from paying federal income tax.
10. You also need to register as a charity with the State of Florida Secretary of State's office.
11. All bank accounts, books and records for the nonprofit organization need to be kept separate from the library's records.
12. Once you have acquired the organization's 501 (c)(3) status, it will be necessary to annually file an IRS Form 990 and file annually with the Florida Secretary of State's office.