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## Non-Profit and Tax Exemption Services

Does your organization have federal 501(c)(3) non-profit status? If not, you're missing out on numerous advantages available to your organization. Not only is your revenue non-taxable, but there are several other reasons to obtain this status for your youth organization. Benefits include the following:

- ◆ Exemption from U.S. federal income tax
- ◆ Donations made to your organization are tax deductible to the donor
- ◆ Eligibility for federal, state, local, corporate, and private grants
- ◆ Eligibility for state income and sales tax exemption

### Fees:

KNPUSA has four packages plus several a la carte services to choose from to meet your organization's needs.

**Platinum** (\$699\*)-Federal and State tax exempt applications, State non-profit incorporation, KNPUSA Expedite Service, EIN Application, State non-profit registration, and bylaws preparation

**Gold** (\$599\*)-Federal and State tax exempt applications, State non-profit incorporation, and bylaws preparation.

**Silver** (\$499\*)-Federal and State tax exempt applications, Articles of Association and bylaws preparation.

**Bronze** (\$399\*)-Federal tax exempt application and bylaws preparation.

\*Does not include IRS or state fees

*Most youth sport's organizations (travel teams and leagues), school booster clubs, and PTOs/PTAs qualify for Internal Revenue Service (IRS) 501(c)(3) status, but fail to apply for it as required by federal law. In fact, many organizations operate as if they were tax exempt organizations, although no application for tax exemption was ever filed with the IRS. Still other clubs have incorporated as a non-profit corporation, but never filed for tax exempt status with the IRS. While most amateur youth sport's organizations that we encounter are capably operated by their volunteer staff, few appreciate the potential risk of financial liability to their volunteers because they or their predecessors failed to apply for tax exempt status.*

*A significant percentage of our clients had been operating for years and in some cases, decades, before learning that they did **not** have 501(c)(3) status. There are a myriad of reasons for these incorrect assumptions including the following:*

- 1. At some point in the organization's existence, a board member may have attempted to apply for exemption and never completed the process. The misinformation perpetuated to future board members for years to come.*
- 2. The organization applied for and received an Employer Identification Number. In the application they indicated that the organization was a Non-Profit and incorrectly thought this was all that needed to be done. In actuality, this is merely the first step in the process.*
- 3. Many organizations falsely assume that because they are run by volunteers and don't get paid that they are automatically tax exempt. Unfortunately, this is incorrect. The only means to attain 501(c)(3) is to apply for it through the IRS.*

*If you're unsure of your tax exempt status, please complete our Tax Exempt Status form on our website and we'll verify your status for free.*

*KNPUSA makes the 501(c)(3) Exemption and State Exemption application processes both simple and affordable to all types of youth organizations. Please bear in mind that if you choose **not** to apply for tax exempt status, then your organization is responsible for filing and paying federal and state income taxes. Additionally, failure to file for tax exempt status could result in substantial federal and state penalties as well as back taxes. KNPUSA can help you receive tax exempt status retroactive to your date of formation. To get started today, please order online at our website at [knpusa.org](http://knpusa.org)*

