

Kids Non★Profits USA

TAX EXEMPT SERVICES OVERVIEW

Thanks for contacting Kids Non-Profits USA (KNPUSA) in regards to becoming a non-profit and/or tax-exempt organization. Below is an overview of our process utilized to obtain non-profit and 501(c)(3) status for your organization.

GETTING STARTED

To get started in the application process, there are a few preliminary items that need to be completed either before or concurrently with the other steps of the process. Some of these you may have already completed.

(1) Form a Board of Directors—The board of directors is the governing body of a nonprofit organization. The responsibilities of the board include discussing and voting on the highest priority issues, setting organizational policies, and selecting and managing your coaching staff. Board members are not required to know everything about nonprofit management, but they are expected to act prudently and in the best interests of the organization. They approve operating budgets, establish long-term plans, and carry out fundraising activities. KNPUSA recommends a board of at least 3 non-related members: President, Secretary, and a Treasurer.

(2) Choose Entity's Legal Status—You can apply for 501(c)(3) status either as a **corporation** or as an **unincorporated association**. Please refer to our [web site](#) for more information in regards to incorporating as a not-for-profit corporation. With today's proliferation of lawsuits against youth sport's organizations, KNPUSA highly recommends that your organization incorporate as a non-profit corporation as an added level of security for your board of directors and other volunteers.

(3) Incorporate as a Non-Profit—If you choose to incorporate, KNPUSA will prepare your articles of incorporation and file them at this time. KNPUSA offers incorporation services in all 50 states.

(4) Obtain a Employer Identification Number (EIN)—To open one or more bank accounts in the name of the organization (and to file Form 990 with the IRS after each fiscal year), you will need to obtain a EIN. This number will also serve as the identification number that you will give to donors for tax deduction purposes. The EIN is your organization's equivalent to an individual's Social Security Number. Despite its' name, every organization needs a EIN regardless as to whether or not they have employees.

(5) Create Organizational Articles and Bylaws—Bylaws define how a non-profit organization will be managed and how it will function internally. They determine which staff and board members have authority and decision-making responsibilities and how those responsibilities should be carried out. They create a framework for the organization, and aid in resolving internal disputes. Among other items, they also describe the rules for calling board meetings, and how and when board members are elected.

If your organization doesn't have a bylaws/articles of association document, KNPUSA will create this document for your organization as part of our 501(c)(3) Application Service package.

(6) Apply for Federal Tax Exempt Status—In conjunction with the client, KNPUSA prepares and submits the tax exempt application to the IRS>

(7) Apply for State Tax Exemption(s)—Once federal approval is received; KNPUSA will file for state income and/or sales tax exemption.

Official Formation Date of Organization

The "official" formation date of your organization is either **(a)** The date that your organization was incorporated or **(b)** If not incorporated, the date that your board of directors adopted your bylaws and/or articles of association.

Organizations Less Than 27-Months Old

The IRS has imposed a deadline of 27 months from your formation date to file for 501(c)(3) status. Filing within this 27-month period is retroactive to your formation date.

Organizations More Than 27-Months Old

If your organization is beyond the 27-month timeframe, then your effective date for 501(c)(3) status will not be until the date that the application is filed with the IRS. To avoid paying penalties and back taxes for the period that your organization was not tax exempt, you must also file for 501(c)(4) status, which is retroactive to your original formation date. The primary difference between (c)(3) status and (c)(4) status is that donations made to 501(c)(4) organizations are **not** tax deductible to the donor. Organizations that are older than 27-months **must** utilize both KNPUSA's 501(c)(3) Application Service and 501(c)(4) Application Service.

Next Steps





When you're ready to get started, you can order online and pay by credit card or check via PayPal. Once your payment is received, you will be emailed the necessary questionnaire(s), instructions, and other supplemental materials. The questionnaires are comprised of both general questions about your organization as well as in depth financial information. The questionnaire is MS Word-based and can be completed electronically. We will provide you with sample responses to the various questionnaire questions to help you formulate your responses. Once completed, you simply email the files back to us.

Once we receive the completed questionnaire, our staff will assemble the actual application package. During this process, we may need to speak with you to acquire additional information. Also at this point, we will email you several forms that require original signatures from your organization's officers.

When all of this is complete, we will mail the application package to the IRS and a copy to your league. On average, the IRS takes approximately 60 - 120 days to process the application. Once approved, you will receive a *Determination Letter* from the IRS, which is your official notice of your federal tax exempt status. Once you receive federal tax exemption, KNPUSA will file for state income and/or sales tax exemption if utilizing our Gold or Silver packages.

Our approval rate track record is 100%. This is attributed to both our streamlined application processes and our extensive first-hand familiarity with the IRS' evaluation criteria. If for any reason we do not feel that you will be approved as a 501(c)(3), then we will advise you of that **prior** to processing your order. If we file your application with the IRS and you are not approved, then we will refund all of our fees so essentially our service is 100% risk-free.

KNPUSA SERVICES & FEES

Primary Services	Fee
 <ul style="list-style-type: none"> ▪ Federal 501(c)(3) application ▪ State income tax exempt application ▪ State sales tax exempt application ▪ State non-profit incorporation ▪ State registration as a non-profit** ▪ Bylaws preparation ▪ EIN Application ▪ KNPUSA Expedite Service* ▪ Robert's Rules of Order Book 	\$699.00
 <ul style="list-style-type: none"> ▪ Federal 501(c)(3) application ▪ State income tax exempt application ▪ State sales tax exempt application ▪ State non-profit incorporation ▪ Bylaws preparation 	\$599.00
 <ul style="list-style-type: none"> ▪ Federal 501(c)(3) application ▪ State income tax exempt application ▪ State sales tax exempt application ▪ Bylaws and/or Articles of Association Preparation 	\$499.00
 <ul style="list-style-type: none"> ▪ Federal 501(c)(3) application ▪ Bylaws and/or Articles of Association Preparation 	\$399.00
Additional Services	Fee
Federal 501(c)(4) Tax Exempt Application -required in addition to 501(c)(3) Application Service if the organization adopted its bylaws and/or incorporated more than 27 months ago. This service is not required with Platinum or Gold packages.	\$89.00
EIN Application -required for all applicants if not previously obtained	\$19.00
State Registration as Non-Profit Organization* -required in all states	\$49.00
Articles Amendment Service -If your organization is already incorporated, your Articles of Incorporation may need to be amended to meet IRS requirements. (KNPUSA staff will advise you if this service is needed)	\$59.00
Application Package Review Service -This service is for organizations that choose to prepare the application package on their own. The service provides a complete review of your organization's entire application package (501(c)(3) application, financials, articles of incorporation, bylaws, and other application materials). A consultation is included to advise applicant of any needed corrections prior to submission to the IRS	\$149.00
Expedited Processing Service* -For KNPUSA services only (1-2 day processing)	\$79.00
Robert's Rules of Order Book (includes shipping)	\$10.00

**Expedite service includes expedited KNPUSA internal processing and expedited shipping to IRS (all tax exempt applications) and Secretary of State (corporation filings). Service does not include expedited IRS or state processing.*

***State registration requires additional small filing fee that varies by state*

Please contact KNPUSA prior to placing your order if you are unsure which package and services fit your needs

IRS FEES

The IRS also requires a user fee (application fee). The user fee is based on your organization's annual **gross** revenues over a 4-year period. Gross revenues include all organizational income including, but not limited to; registration/membership fees, sponsorships, donations, admissions, concession sales, etc. This fee will be submitted directly to the IRS by check.

COMPUTING YOUR IRS USER FEE	
If your annual gross revenues are:	Then your IRS application fee will be:
Less than \$10,000	\$400.00 (subject to change)
\$10,000 or greater	\$850.00 (subject to change)

STATE FEES

The following table indicates the each state's fee for incorporation filing and registering as a non-profit. These fees are subject to change at any time.

State	Incorporation	Registration Fee	State	Incorporation	Registration Fee
Alabama	\$30.00	\$25.00	Montana	\$20.00	None
Alaska	\$50.00	\$40.00	Nebraska	\$10.00	None
Arizona	\$45.00*	None	Nevada	\$50.00	None
Arkansas	\$50.00	None	New Hampshire	\$25.00	\$25.00
California	\$30.00	\$25.00	New Jersey	\$75.00	\$10.00+
Colorado	\$50.00	None	New Mexico	\$25.00	None
Connecticut	\$50.00	\$50.00	New York	\$75.00	\$25.00
Delaware	\$89.00	None	North Carolina	\$60.00	\$10.00+
Florida	\$87.50	\$10.00+	North Dakota	\$40.00	\$25.00
Georgia	\$100.00*	\$25.00	Ohio	\$125.00	\$10.00+
Hawaii	\$25.00	\$10.00+	Oklahoma	\$25.00	\$15.00
Idaho	\$30.00	None	Oregon	\$50.00	None
Illinois	\$52.75	\$15.00	Pennsylvania	\$125.00*	\$15.00+
Indiana	\$30.00	None	Rhode Island	\$35.00	\$50.00
Iowa	\$20.00	None	South Carolina	\$25.00	\$50.00
Kansas	\$20.00	\$35.00	South Dakota	\$30.00	None
Kentucky	\$8.00	None	Tennessee	\$100.00	\$50.00
Louisiana	\$60.00	\$25.00	Texas	\$30.00	None
Maine	\$40.00	\$50.00	Utah	\$30.00	None
Maryland	\$125.00	\$10.00+	Vermont	\$75.00	None
Massachusetts	\$35.00	\$100.00	Virginia	\$75.00	\$10.00+
Michigan	\$20.00	None	Washington	\$30.00	\$20.00
Minnesota	\$70.00	\$25.00	West Virginia	\$30.00	\$15.00
Mississippi	\$50.00	\$50.00	Wisconsin	\$35.00	\$15.00
Missouri	\$25.00	\$15.00	Wyoming	\$25.00	None

*Arizona, Georgia, and Pennsylvania require publication of intent to incorporate. Additional fees apply.

Incorporation Notes: Some states now allow online incorporation filings. In these cases, an additional small convenience fee may be charged in addition to the listed filing fee. You will be advised of the exact fee prior to your filing being submitted. Additionally, some states have an expedite service that may be available for an additional fee.

Registration Notes: The fees listed may or may not apply to your particular organization depending on the amount of fundraising and donations your organization receives. Your KNPUSA consultant will advise you if a fee must accompany your registration application.

Please be advised that all of these published fees are subject to change at any time.