



ILLINOIS CPA SOCIETY®  
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# Charitable Organization checklist

Not-for-profit organizations seeking to be recognized as tax-exempt by the IRS may be required to file documents with various Federal, State, and local government agencies, both at the time of formation and continuing thereafter. Exactly what is required to be filed will depend on, among other things, the organization's IRS tax status, its activities, whether it has employees, its fundraising methods, and the amount of contributions it raises. This checklist is meant to serve as a resource for organizations regarding both formation filing requirements and ongoing filing requirements.

**Safe Harbor Provision:** The following information is not intended to serve as an inclusive filing list for all not-for-profit organizations. There are various types of not-for-profit organizations with varying filing requirements. Therefore, all organizations should exercise due care in ensuring regulatory requirements are fulfilled.

## Formation Checklist For Not-For-Profit Corporations

### > Application for Reservation of Name under the Non-Profit Organization Corporation Act

- Form NFP 104.10 (reserves name for 90 days);
- IL Sec. of State Business Services Department;
- [www.cyberdriveillinois.com/publications/pdf\\_publications/nfp10410.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/nfp10410.pdf)

### > Articles of Incorporation & Bylaws

- Articles of Incorporation:
  - Form NFP 102.10 (to incorporate as a non-for-profit corporation;
  - Filing Fee of \$50 paid to Illinois Secretary of State Business Services Department;
  - [www.cyberdriveillinois.com/publications/pdf\\_publications/nfp10210.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/nfp10210.pdf)[www.cyberdrive.gov](http://www.cyberdrive.gov)
- Attachment to Form NFP 102.10 (if the organization is seeking IRS tax-exempt status):
  - IRS requires certain provisions regarding purposes of the organization, prohibiting on private inurement, and dissolution  
See sample IRS provisions at:  
<http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charity-Required-Provisions-for-Organizing-Documents>
  - Article 5 on Form NFP 102.10 states that other provisions can be separate attachment  
See: [www.cyberdriveillinois.com/publications/pdf\\_publications/nfp10210.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/nfp10210.pdf)[www.cyberdrive.gov](http://www.cyberdrive.gov)
- Corporate Bylaws:
  - Regulates how affairs of the org. are managed;
  - Must be consistent with Illinois law relating to not-for-profit corporations.

### > File Articles of Inc. w/ County Recorder of Deeds

- Filing fee and time periods set by respective county offices.

### > Federal Employer Identification Number

- IRS Form SS-4. Filing is free and can be done online or over the phone  
See: <http://www.irs.gov/Charities-&-Non-Profits/Employer-Identification-Number>

### > IRS Tax Exempt Status Application for Recognition of Exemption (Form 1023 or Form 1024)

- [www.irs.gov/Charities-&-Non-Profits/Have-you-completed-and-signed-the-correct-application%3F](http://www.irs.gov/Charities-&-Non-Profits/Have-you-completed-and-signed-the-correct-application%3F)

### > Register With Illinois Attorney General

(Requirement for Charities Holding or Soliciting Funds In Illinois)

- Form CO-1 with all necessary enclosures and fees;
- \$15 registration fee payable to "Illinois Charity Bureau Fund";
- If soliciting, both charity and any professional fund raiser it employs must be registered prior to any solicitation;
- [http://www.illinoisattorneygeneral.gov/charities/register\\_report.html](http://www.illinoisattorneygeneral.gov/charities/register_report.html)

## Formation Checklist For Not-For-Profit Corporations Continued

### > Illinois Fundraising/ Raffles / Charity Gaming

(Other than Registration with IL Attorney General)

- IL Dept. of Revenue
  - Bingo Tax and Licensure & Fees;
  - Charitable Gaming Games Tax Licensure & Fees;
  - Pull Tab & Jar Games Licensure & Fees;
  - <http://tax.illinois.gov/CharityGaming>
- Local County/Municipal Registration/Licensure
  - Check with City or County Clerk regarding Raffle Licensure & Fees;
  - Check with City or County Clerk regarding Licensure for Door-To-Door Solicitation.

### > Illinois State Sales Tax Exemption

- Publication 104;
- Illinois Department of Revenue;
- <http://www.revenue.state.il.us/NonProfits>

### > Illinois Real Estate Tax Exemption

- IL Dept. of Revenue Application for Property Tax Exemption (either Form PTAX-300 for charitable or educational organizations or Form PTAX-300-R for religious organizations) & Local County Application;
- <http://tax.illinois.gov/publications/PIOs/PIO-37.htm>

### > Register With Illinois Dept. of Employment Security (If there are employee(s) in Illinois)

- [http://www.ides.illinois.gov/page.aspx?item=71#a\\_Employer](http://www.ides.illinois.gov/page.aspx?item=71#a_Employer)

### > Local Business Registration

- Check with City Clerk on local business filing requirements.

## Ongoing Reporting Obligations Checklist

### > Employer's Quarterly State Tax Return

- Form IL-941;
- Illinois Department of Revenue;
- Instructions: <http://tax.illinois.gov/taxforms/withholding/prioryears/il-941.pdf>
- Form: <http://tax.illinois.gov/taxforms/withholding/il-941.pdf>

### > Corporate Annual Report to be filed with the Illinois Secretary of State

- Domestic/Foreign Corporation Annual Report Form General Not For Profit Corporation  
See: [http://www.cyberdriveillinois.com/publications/pdf\\_publications/c54.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/c54.pdf)
- If filed on time, a \$10 filing fee only is required by statute. If filed later, a statutory \$3 penalty fee must be added;
- Annual Report must be signed by an authorized officer of the corporation;
- If Annual Report is not filed, the corporation is subject to:
  - Involuntary dissolution (if domestic); or
  - Having its certificate of authority to transact business in Illinois revoked (if foreign).

### > Annual IRS filing for Tax Exempt Organizations

- Most tax-exempt organizations are required to file an annual information return with the Internal Revenue Service;
- Generally, information returns are due every year by the 15th day of the 5th month after the close of the organizations' tax year (extensions can be applied for);
- An organization that fails to file required information returns (Forms 990, 990-EZ, 990-N, or 990-PF) for three consecutive years will automatically lose its tax-exempt status;

## Ongoing Reporting Obligations Checklist Continued

- Which form an organization must file generally depends on its financial activity, as follows (note: these thresholds apply for 2010 Tax Year and later (Returns filed in 2011 and later):
  - If the organization is a public charity and gross receipts are normally  $\leq$  \$50,000, the organization files Form 990-N (E-PostCard)
    - Instructions: N/A;
    - Form: [http://www.irs.gov/Charities-&Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-\(e-Postcard\)](http://www.irs.gov/Charities-&Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-(e-Postcard))
  - If the organization is a public charity and gross receipts are  $<$  \$200,000 and total assets are  $<$  \$500,000, the organization files Form 990-EZ
    - Instructions: <http://www.irs.gov/pub/irs-pdf/i990ez.pdf>
    - Form: <http://www.irs.gov/pub/irs-pdf/i990ez.pdf>
  - If the organization is a public charity and gross receipts are  $\geq$  \$200,000 or total assets are  $\geq$  \$500,000, the organization files Form 990
    - Instructions: <http://www.irs.gov/pub/irs-pdf/i990.pdf>
    - Form: <http://www.irs.gov/pub/irs-pdf/i990.pdf>
  - If the organization is a private foundation, it files Form 990-PF
    - Instructions: <http://www.irs.gov/pub/irs-pdf/i990pf.pdf>
    - Form: <http://www.irs.gov/pub/irs-pdf/i990pf.pdf>

### > Annual Charitable Organization Reports Filed with the Illinois Attorney General

- Form AG990-IL with all necessary enclosures and fees filed with Illinois Attorney General's Charitable Trust Bureau;
- Filing fee of \$15 payable to the "Illinois Charity Bureau Fund";
- [www.illinoisattorneygeneral.gov/charities/register\\_report.html](http://www.illinoisattorneygeneral.gov/charities/register_report.html)

### > State Income Tax Withholding Agent Returns

- Generally, Form IL-501 must be filed if monthly or Form IL-941 if annually/quarterly;
- Filed with Illinois Department of Revenue;
- See: <http://tax.illinois.gov/businesses/taxinformation/payroll/>

### > Property Tax Exemption

- Once approved by the State, a charity's property tax exemption continues until either the use of the property changes or it is conveyed to someone else;
- Generally, local county assessors will still require a charity to annually attest that there has been no change to the exclusively charitable use of its exempt property and that ownership has not been conveyed to someone else. (For example, the Cook County Assessor mails a use questionnaire to all exemption holders except churches which must be completed and returned);
- A charity will lose its exemption if it fails to so annually attest.



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[www.icpas.org](http://www.icpas.org)

**a:** 524 S. 2nd Street, Suite 504  
Springfield, IL 62701-1705  
**p:** 217.789.7314 or  
800.572.9870  
**f:** 217.789.7924

### About the Illinois CPA Society

The Illinois CPA Society, founded in 1903, is the fourth largest state CPA society in the nation, with more than 24,000 members. It is the only professional organization that represents CPAs in Illinois. During its over 100 years of existence, the Society has advanced the highest ethical and financial standards of the profession, and has been a leader in educating the public on financial issues.