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Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

Submit reports or lose tax-exempt status

By Barry VanderKelen

The IRS has extended the deadline for nonprofit organizations to catch up on their filings to maintain their charitable status.

Three years ago, the IRS announced that organizations that do not submit their annual filing for three consecutive years will lose their exempt status. Small nonprofit organizations could comply by filing the Form 990-N or Form 990-EZ. Larger nonprofit organizations are required to file Form 990-EZ, Form 990 or Form 990-PF. For those organizations that haven't been submitting their annual filings, the IRS has announced it will allow until Oct. 15 to catch up. Small organizations will need to complete a checklist and pay a fee ranging

from \$100 to \$500. Information about this is available at www.irs.gov/charities/article/0,,id=225705,00.html.

If an organization loses its tax-exempt status, it will need to reapply if it wants to continue operating as a tax-exempt nonprofit organization. Preparation of the application and IRS review of it can take longer than six months. Any income received during this time might be taxable.

A list of organizations at risk for losing tax-exempt status is at www.irs.gov/charities/article/0,,id=225889,00.html. The Excel spreadsheet option is searchable by any of the data fields, such as organization name or city.

If you find an organization's name on the list, check the spelling of the name; some or-

ganizations sound alike but are not the same. You may want to cross-reference the name on GuideStar,

www.guidestar.org.

It is also helpful to search the California attorney general's website, www.ag.ca.gov (click on Charities, and then on Registry Search).

An organization may be compliant with the state but not with the IRS. Once you have a sense of the complete status, follow the IRS checklist if you want the organization to maintain its exempt status. If you want the organization to dissolve, follow those guidelines.

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Resource Use:

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of *The Tribune*

Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes a bi-weekly column to help strengthen nonprofit organizations in the community.

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Each column is reprinted as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at barry@slocf.org.