

NONPROFIT SUPPORT SERVICES

TAX EXEMPT STATUS PACKAGE

Our law firm works exclusively for nonprofit organizations, and we have the necessary experience and expertise to gain your organization's tax exempt status as quickly and inexpensively as possible. This will allow you to concentrate on your organization's programs and activities, rather than struggle with confusing forms and technical IRS regulations. We ensure that your nonprofit corporation avoids the many pitfalls and traps that commonly result in a rejection by the IRS.

Our TAX EXEMPT STATUS PACKAGE includes the following services:

- ◆ We meet you with in person or by telephone to explain the application process and to carefully review your organizations present, planned and future activities, and forms of fundraising to make sure you know in detail about all of the IRS regulations and concerns that are applicable to your activities and, also, to make sure your organization does not unintentionally violate any laws of regulations.
- ◆ We completely and thoroughly prepare the IRS FORM 1023 "Application for Recognition of Tax Exempt Status," compile all required attachments for that form, assemble and finish the other necessary IRS forms which must accompany the application, and submit it to the IRS via certified mail with a cover letter from our law firm.
- ◆ We apply the various tests and standards which the IRS will use when it reviews your application to make sure your organization's programs and activities are presently accurately.
- ◆ We respond to inquiries from the IRS agents who handle your application and investigate your organization, by telephone, letter and fax. We track the progress of your application, to work diligently towards a timely and favorable IRS ruling.
- ◆ We act as your attorney and tax representative to prepare thorough written responses to all subsequent IRS questions and requests for further information (the IRS agents commonly call or send one or more additional letters asking further questions).
- ◆ **We will lead an educational training seminar for members of your Board of Directors, staff and volunteers on topics that will inform them on the best use your tax exempt status, and on the laws and IRS regulations that govern your organization and its activities.**
- ◆ We will provide a handbook of written materials for your future reference and training needs, which summarize the information we present in the training seminar regarding IRS regulations governing the activities of tax exempt organizations, the solicitation of contributions and recruitment of members.
- ◆ *NOTE: This package does not include writing or revising your bylaws, amending your Articles of Incorporation, EIN applications or registration with the Department of Justice. Please see our billing and payment arrangements.*

Please visit our website at www.nonprofit-support.com for more information about our office, staff and services.

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TAX EXEMPT STATUS SEMINAR TOPICS

The tax exempt status package offered by **Nonprofit Support Service** includes an educational seminar for your Board of Directors, staff, volunteers and members. The educational seminar that includes the following topics:

- *How to legally and properly manage a tax exempt, nonprofit organization*
 - *Handling Conflicts of Interest and IRS Guidelines*
 - *Proper financial procedures and financial controls for nonprofit corporations*
 - *Record keeping requirements for tax exempt donations*
 - *State and Federal reporting requirements for tax exempt organizations*
 - *Limits on political activity and lobbying for 501(c)(3), (c)(4), (c)(6) or (c)(7) organizations*
 - *Understanding and dealing with unrelated business income (UBI)*
 - *The restrictions and limitations that State Law, Federal Law and the IRS Regulations impose on tax exempt organizations*
 - *Website; Appropriate Information and Links*
 - *Foreign Activities*
 - *Professional Fundraising/Bingo/Raffles*
 - *Intellectual Property*
 - *The most common pitfalls and mistakes made in solicitations for tax deductible contributions*
 - *How to legally solicit tax deductible contributions*
 - *What your donors need to know to take legal advantage of their deductions*
 - *Rules for valuing non-cash contributions*
 - *How to determine which contributions are deductible and which are not deductible*
 - *How to recognize and avoid improper private benefit*
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It is the goal of **Nonprofit Support Services** to ensure that your organization's Directors, Officers, members and staff have all of the information needed to fully and completely understand how to legally manage your organization, and to successfully use its tax exempt status to secure a stable financial foundation. The seminar is led by an attorney who is an experienced specialist in the laws governing nonprofit organizations, and their successful management and operation.

There is no time limit on our seminars, and following the formal presentation of the above topics, our attorney will work with your organization for as long as necessary to make sure that all of your questions are answered satisfactorily and that you feel prepared to meet the challenges facing your organization.

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PAYMENT AGREEMENTS FOR TAX EXEMPT STATUS PACKAGE

Our **Tax Exempt Status** Package provides a valuable service at an reasonable fee with payment terms that even a small group can afford. The following information describes our charges and payment policies.

PAYMENT AGREEMENTS:

1. OUR FEES: The charge for our **Tax Exempt Status** Package will be from \$1,900 to \$7,500 depending on the size and complexity of the organization, the nature of its legal needs and other factors which require additional time and service. For example, Private Foundations, Trade or Professional Associations, Mutual Benefit organizations and Homeowners Associations all require significantly more work and we charge more for them.

2. ACTUAL EXPENSES: It is a standard practice for law offices to bill actual expenses separately from fees. This is especially important for us since we consciously choose to charge lower hourly and flat fee rates than other law offices with comparable expertise. In keeping with our flat fee approach, we have bundled the costs for filing fees, fax, postage, and copies into a single flat fee of \$100. However, if our attorney must travel any significant distance to meet with the organization, for instance to assist with the Organizational Meeting or to present the Educational Seminar, we charge \$75 per hour and 55¢ per mile for that travel. There is also an additional \$60 per hour "overtime" charge for meetings, seminars or travel that are scheduled after regular work hours in evenings or on weekends.

3. FILING FEE: The IRS filing fee will be \$850 after January 2010 **and is not included in the package**. Your check is submitted with the application and must be made payable to the Internal Revenue Service.

4. ADDITIONAL WORK: We would be very glad to provide other legal services for you, as well. Please tell us if you would like our help on other issues beyond the scope of the 501(c)(3) application, such as writing or reviewing contracts, employment and personnel issues, negotiating or advising regarding leases or other real estate transactions, conflict mediation or issues involving other organizations. *This package also does not include bylaw revision, restatement or amendment of articles, EIN applications, registration with the Department of Justice or advice on topics outside the range of the 501(c)(3) application.* We charge separately for these extra legal services.

5. PAYMENT SCHEDULE: We request payment of half of the total fee when we begin working to gain your Tax Exempt status. The remainder is due within 30 days of receipt of the application by the Internal Revenue Service. However, special payment terms are available upon request. Interest charges of 18% per annum or 1.5% per month will be charged on any amount not paid within 30 days from the time we submit your application.