



APPLYING FOR STATUS AS A NONPROFIT CORPORATION

***Note--The following information is a guide only.
Contact an attorney for exact information***

Note--Many attorneys will work with the Grad Nite organizers on a “pro-bono” (free) basis as a donation to Grad Nite. If possible, find an attorney who has a student in your school. Remember to keep the questions strictly related to Grad Nite and give the attorney and law firm credit for their donation.

There are at least three major benefits to applying for status as a nonprofit corporation:

- Your Grad Nite should be exempt from paying federal and state income tax.
- Donors to your Grad Nite should be eligible for tax deductions for their donations.
- Your Grad Nite should be eligible for liability insurance as a non-profit corporation.

THINGS TO DO TO INCORPORATE AND OBTAIN TAX EXEMPT STATUS:

- Prepare written “By-laws” for your organization. The “By-laws” should be typed and signed by the current officers.
- Call the office of the Secretary of State at 916-657-5448 (automated telephone system). Follow the recorded instructions to obtain official forms and information on how to incorporate as a non-profit public benefit corporation.

Note-An alternate method to obtain the forms is to contact the Secretary of State via the Internet. The address is: www.ss.ca.gov

- Draft and approve your Grad Nite “Articles of Incorporation.” Submit the “Articles of Incorporation” and the By-laws to the Secretary of State. There is a filing fee.
- Apply for an Employer Identification Number from the Internal Revenue Service (See Appendix B of this guidebook). Complete and file Internal Revenue Form SS4.
- After approval of your Articles of Incorporation by the Secretary of State, apply for Federal tax exemption (under tax code Section 501(c)(3)).
- Obtain an "Application for Recognition of Exemption," package from the California Internal Revenue Service (package 1-023).
- After approval of your Federal tax-exempt status, apply for similar exemption from the California tax board (form 3500). There is a fee. Include a copy of the bylaws, Articles of Incorporation, budget, and a fact sheet.
- Annually report your Grad Nite income and expenses to the Federal IRS using Form 990 or 990EZ.

When to apply:

Most first-year Grad Nite committees are too busy planning, building and selling the Grad Nite project to take the time to follow these procedures. It is advisable that subsequent committees take on this project as Grad Nite becomes established.