

HOW TO START A NON-PROFIT ORGANIZATION IN NEW HAMPSHIRE

The Charitable Trusts Unit of the Department of the Attorney General has prepared this information sheet to assist individuals in starting a non-profit organization. While every attempt has been made to ensure the accuracy of the information, please be advised that specific questions and information should be directed to the appropriate agency and/or to your private attorney.

MISSION STATEMENT

The starting point for the creation of a nonprofit organization is the development of a mission statement. In order to receive tax exempt status the mission must fall within the categories enumerated by the **Internal Revenue Service** under Internal Revenue Code section 501(c)(3):

- Charitable
- Religious
- Scientific
- Educational
- Literary
- Preventing cruelty to children or animals
- Fostering national or international amateur sports competition
- Testing for public safety

Federal Income Tax Exemption

It is the **Internal Revenue Service** that determines the federal tax status of an organization. In order to receive non-profit tax-exempt status it is therefore necessary to complete and file application forms with the Internal Revenue Service. If tax-exempt status is granted the organization will receive a Letter of Determination from the IRS. NOTE: Being a tax-exempt entity does not automatically make donations to your organization tax deductible to the donor, your organization's Letter of Determination will state whether contributions to the organization are tax deductible.

To obtain the necessary forms to apply for tax-exempt status go to www.irs.gov and download the appropriate forms. The forms can also be completed electronically. The IRS forms are as follows:

1. **Form SS-4:** Application for Employer Identification Number.
2. **Form 8718:** User Fee for Exempt Organization Determination Letter Request; and either
3. **Form 1023:** Application for Recognition of Exemption for 501(c)(3) Organizations; or
4. **Form 1024:** Application for Recognition of Exemptions under all other sections of 501(c).

Formal Structure of a Tax-Exempt Entity

Before the Internal Revenue Service can grant your organization tax-exempt status the entity must have a governing structure as: an unincorporated association, a corporation, or a trust. A certified

copy of the organizing governing documents (i.e. articles of incorporation, constitution, or trust instrument) must be included with the IRS Application for Recognition of Exemption.

If you wish to incorporate as a New Hampshire non-profit corporation you may obtain the forms from the **Secretary of State** at the following website: <http://www.sos.nh.gov/corporate/> It is recommended you contact your attorney and/or accountant for advice in formally establishing the organization.

Registration with the Attorney General

Any non-profit organization which solicits funds from the general public for charitable purposes or which distributes funds for charitable or community purposes, with the exception of churches and other religious institutions, must register with and report to the **Attorney General Charitable Trusts Unit**. The forms for registration and reporting may be downloaded directly from the Charitable Trusts Unit Homepage, <http://www.doj.nh.gov/charitable-trusts/> or you may call **603-271-3591** to request the forms be mailed to you.

Real Estate Tax Exemption

Real estate tax exemption for non-profit organizations is governed by RSA 72. It is necessary to contact the assessing office in your town or city to obtain the necessary application to apply for this exemption.

We hope this information is of assistance to you and if you have any further questions you mail e-mail this office or contact us by calling **603-271-3591 Monday through Friday from 9:00 a.m. to 4:00 p.m.**

Terry M. Knowles, Registrar
Charitable Trusts Unit
603-271-3591