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# Organized Exclusively for Charitable Purposes: Nonprofit Formation and Formalities from an Accounting and Legal Point of View

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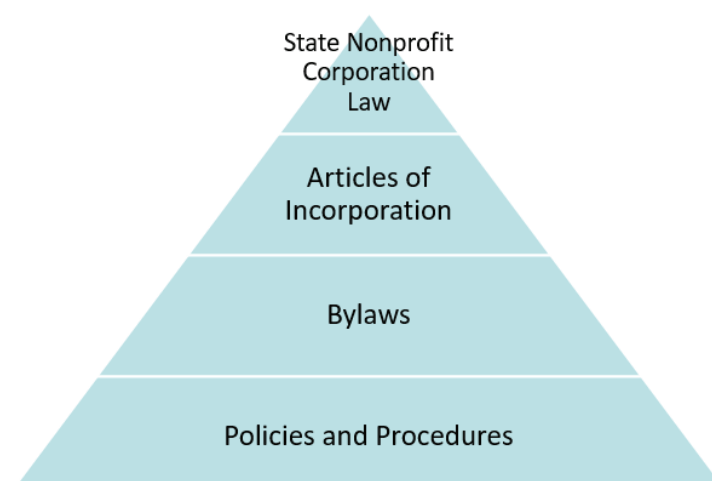
## Agenda

- Nonprofit Legal Issues
  - Legal Structure of Nonprofits
  - Tax Exempt vs. Charitable Organizations
  - Public Charities vs. Private Foundations
  - Organizational and Operational Tests
  - Corporate Governance
  - Federal Tax Concepts - Improper Private Benefits and Self-Dealing
  - Unrelated Business Income
  - Lobbying
- Applying for Tax Exemption
  - Form 1023 Application
  - Ongoing Reporting

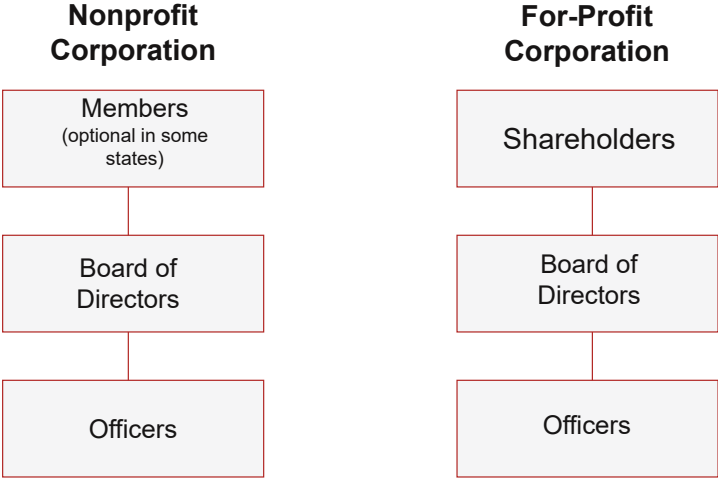
## What is a Nonprofit Organization?

- The term “nonprofit” comes from state corporate law
- An entity established under state law for some other purpose than making a profit and whose primary objective is to support or to actively engage in activities of public or private interest
- Nonprofits may be organized as a corporation, as a trust, as a cooperative, or they may be purely informal

## Legal Structure of Nonprofits



# Corporate Structure of Nonprofit Corporation vs. For-profit Corporation



# Nonprofit vs. Tax-Exempt

STATE LAW ("Nonprofit")	FEDERAL LAW ("Tax-Exempt")
Defines how the organization legally exists and operates	Determines how the organization is taxed

While most nonprofits are tax-exempt, there are "taxable nonprofits"

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## Title search: Organized Exclusively for Charitable Purposes: Nonprofit Formation and Formalities from an Accounting and Legal Point of View

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[2022 Nonprofit Organizations Fundamentals eConference](#)

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