

# Atkin & Associates Center for Nonprofit Law

## PACKAGE #2

### 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 with you in person or by telephone to explain the application process and to carefully review your organization's 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, so your organization does not unintentionally violate any laws or regulations.
- We completely and thoroughly prepare the **IRS Form 1023** "Application for Recognition of Tax Exempt Status" or **IRS Form 1024** "Application for Recognition of Exemption Under Section 501(a)" (as applicable), compile all required attachments for that form, assemble and complete 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 presented 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. 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 of 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.

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## TAX EXEMPT STATUS PACKAGE SEMINAR TOPICS

*The Tax Exempt Status Package includes an Educational Training Seminar for your Board of Directors, staff, volunteers and members. It is our goal 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 **Educational Training Seminar** includes the following topics, as appropriate to the organization:

- **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**
- **Websites: 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**

*This seminar will be led by an attorney who is experienced specialist in the laws governing nonprofit organizations and their successful management and operation.*

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## TAX EXEMPT STATUS PACKAGE PAYMENT POLICIES

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

### **TERMS AND CONDITIONS:**

- 1. OUR FEES:** The charge for our **Tax Exempt Status Package** will range from \$2,500 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 Churches all require significantly more work and expense, and we charge more for those packages.
- 2. ACTUAL EXPENSES:** It is a standard practice for law offices to bill actual expenses separately from fees. In keeping with our flat fee approach, we have bundled the costs for materials, fax, postage, and copies into a single flat fee of \$95.
- 3. OVERTIME AND TRAVEL EXPENSES:** Please refer to attached overtime and travel expense sheet.
- 4. FILING FEE:** The IRS filing fee depends on your organization's actual or anticipated annual income. For organizations with income of less than \$10,000 annually, the fee is \$400. For all others the fee is \$850. The application fee is not included in the package. Your check is submitted with the application and must be made payable to "United States Treasury."
- 5. ADDITIONAL WORK:** We would be very glad to provide other legal services for you, as well. Please tell us if our help is needed on issues beyond the scope of the basic organizational issues related to our **Tax Exempt Status Package**, such as writing or reviewing contracts, employment and personnel issues, intellectual property, negotiation or advice regarding leases or real estate transactions, conflict mediation, or issues involving other organizations. **We charge separately and on an hourly basis for these extra legal services.**
- 6. PAYMENT SCHEDULE:** To help nonprofit groups with limited funds, we only ask for payment of **half** the total fee when we begin working for your nonprofit organization. The remainder is due according to the terms of your Payment Agreement. Special payment terms are available on request. Interest charges of 18% per annum, or 1.5% per month, will be charged on any amount not paid as agreed upon in your Payment Agreement.

Please visit our website at [www.nonprofit-support.com](http://www.nonprofit-support.com) for more information about our office, staff and services.

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## **PAYMENT POLICY FOR TRAVEL AND EVENING/WEEKEND CHARGES**

### **1. TRAVEL CHARGES:**

Due to our large caseload, we always prefer to conduct our meetings and Board Training Seminars at our office in Eugene or somewhere nearby in the Eugene-Springfield area. Our conference room easily accommodates 6-10 people and there are rooms available nearby which will hold more.

If you schedule a meeting or seminar outside the Eugene-Springfield area, we bill for travel time. This is standard procedure for the legal profession. Most law offices charge the full hourly rate for travel (generally between \$100 to \$250 per hour) under the theory that the attorney would be earning that amount if he or she were to stay in the office and work. But, in keeping with our conscious choice to keep our hourly rates and fees affordable, our charge for travel time is only \$75 per hour, or less than 40% of our hourly rate, plus the actual travel expense as approved by the IRS. It is our hope that our reduced rates will benefit your organization and encourage you to ask us to travel to your location for meetings or seminars when needed.

### **2. OVERTIME CHARGES:**

We always prefer to schedule meetings and seminars during our regular business hours, from 9 a.m. to 6 p.m. However, we are willing to be available at other times when necessary. For meetings or seminars scheduled on Saturday or Sunday or in the evening, there will be an "overtime" charge of \$60 per hour added to the regular hourly rate.

If you have any questions regarding our services or need any further information, please contact us at your convenience.