Texas Association of Nonprofit Organizations
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Outline of Services and Fees for Incorporation of Texas Nonprofit and Assistance in Submitting 501 (c) (3) Application to Internal Revenue Service

We have successfully assisted dozens of individuals and organizations through the process of deciding whether to seek nonprofit and tax exempt status and then the process of establishing a Texas Nonprofit Corporation and seeking 501 (c) (3) determination from the IRS. The latter allows contributions to the organization to be tax deductible.

Attached is a PDF of the overall process. In addition, you can access my narrative on the process at http://www.austincc.edu/npo/sectornews/index.php/starting-a-nonprofit-in-texas/

Our focus is on assisting you to complete the process as quickly and painlessly as possible so that you can create a responsible, accountable and effective nonprofit. We start by asking you to complete our CONSOLIDATED FORM through which we gather the info we need to obtain your Employers Identification Number and your Texas Nonprofit Incorporation (i.e., Certificate of Formation). That part of the process takes approximately 48 hours as both are done online.

With these two components, you are officially a Texas Nonprofit and can open a bank account and begin operations. However, you are not a 501 (c) 3 entity which is the Federal status that allows you to accept tax deductible contributions.

Simultaneously, we draft proposed bylaws for adoption by your Board – required to operate as a nonprofit and for your IRS application.

To obtain the 501 (c) 3, we need to file an IRS 1023 form that is more complicated than the Texas process. Preparation time varies based on how well organized your thoughts and materials are as well as the degree to which you understand the fundamental nature of nonprofits and their difference from for-profit entities. Once all the needed information is provided us, it usually takes about a week to complete the 1023 form and its Addendum. However, it is impossible to estimate how long it will take to get all of the needed materials in order. That rests with you.

Once the IRS 1023 form is submitted to the IRS, it can take 4 – 6 months to receive final word from IRS as to the status of your 501 (c) 3 determination.

It is not unusual for the IRS to request additional information, and submit a series of questions about your operations based on your application. We assist you in responding to those.

Throughout the process, we serve as your consultant in all matters related to the creation and initial establishment of your 501 (c) 3, providing a reasonable amount of consultation based on our decades long experience leading, managing and incorporating nonprofits. In addition, we are able to offer other services such as accounting and financial management services once you are incorporated.

Your costs are:

- $25.68 for the Secretary of State filing (that we simply pass on to you);
- $400 - $850 for the IRS filing (depending on your budget and the check is not due until you actually file);
- our fee is $1500 for TANO members or $1900 for others - which we request is paid at the time we begin the process – though we will begin by obtaining your EIN and Texas Incorporation while awaiting "the check in the mail";
- your organization can join the Texas Association of Nonprofit Organizations (TANO) at its appropriate level (http://www.tano.org/en/cms/?374) to benefit from the discount as well as many other benefits including consulting, insurance, resources, etc.

One important caveat: all of our fees and commitments are based on the assumption that you will provide us needed information and work with us to move the process along as expeditiously as possible. If the process slows or we engage in start/ stop kinds of situations, we reserve the right to increase our fees as far more time is required to work with you in this fashion.

We have incorporated dozens of nonprofits and our work involves consultation and organizational capacity building services to hundreds of nonprofits. You can review my biographical narrative at http://www.austincc.edu/npo/sectornews/index.php/about-us/barry-silverberg/ and our ever growing list of agencies for whom we provide assistance at http://www.austincc.edu/npo/sectornews/index.php/about-us/technical-assistance-consultations-presentations/

Do let me know if you have any further questions and whether you would like to sign up for our services. Once I hear that you do, I will send you the CONSOLIDATED FORM and we will move forward as expeditiously as possible.

We look forward to hearing back from you.

Excelsior!
Barry

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