

Library Friends/Foundations

Staffeldt, Darlene

From: Cooper, Bob
Sent: Thursday, March 08, 2001 11:27 AM
To: 'glockn@columbus-hs.k12.mt.us'
Cc: Strege, Karen; Staffeldt, Darlene; Mecklenberg, Lisa
Subject: Obtaining 501c3 Status

Hi Norma:

Your questions about getting your friends group tax exempt status found their way to me so here goes.

No, you do not have to hire a lawyer to complete and submit the necessary forms for obtaining 501c3 tax exempt status. Many groups have obtained their tax exempt status without the aid of a lawyer. (However, a friendly lawyer or CPA willing to donate his or her efforts can really streamline the task so I wouldn't turn down such an offer if it wandered your way.)

Your friends group must file Articles of Incorporation with the Montana Secretary of State's office in order to be eligible to apply for a 501c3. However, I am not certain that your Articles of Incorporation need to be filed with the State prior to applying for a FEIN. This is probably a moot point since an FEIN is the easiest and fastest to obtain of all the required elements in this non-profit tax exempt application process. An FEIN application can even be done over the telephone now.

The Forms 1023, 8718, and SS-4 are the proper forms to file for meeting IRS requirements. I would suggest you request from some other library friends groups copies of their successful 501c3 applications to guide you in responding to some of the questions on these forms. Darby Public Library and Belgrade Public Library are two places I recall have somewhat recently gone down the same road.

I would also suggest you get your Articles of Incorporation written and filed as soon as possible so that does not slow everything else down longer than necessary. Here is a State URL to get you the state filing forms you need: <http://www.state.mt.us/sos/assets/business/forms/dn-1.pdf>

Also, you will want to note that on Form 8718 what the friends group anticipates its first 4 years of income will be determines whether the tax exempt filing fee will be \$150 or \$500. A big difference to small library organizations.

Good luck. If I can be of further assistance my contact information is listed below.

Bob

Bob Cooper
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Staffeldt, Darlene

From: Strege, Karen
Sent: Wednesday, March 07, 2001 11:50 AM
To: Staffeldt, Darlene; Cooper, Bob
Subject: FW: Tax Exempt Status for Friends of the
Lisa,

I forwarded Norma's question to Darlene and Bob. I think one of them should know the answers to Norma's questions w/o research.

Karen Strege
Montana State Librarian
406-444-3115

-----Original Message-----

From: Mecklenberg, Lisa
Sent: Wednesday, March 07, 2001 8:14 AM
To: Strege, Karen
Subject: FW: Tax Exempt Status for Friends of the Library

Hey Karen,

Before I spend a lot of time looking for the answer to Norma's questions (I honestly have no idea at this point), do you, or someone over there know about this? There must be other groups dealing with these same issues, aren't there? Thanks for your thoughts.

Lisa

Lisa Mecklenberg Jackson
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-----Original Message-----

From: Norma [mailto:glockn@columbus-hs.k12.mt.us]
Sent: Tuesday, March 06, 2001 10:25 AM
To: Mecklenberg, Lisa
Subject: Tax Exempt Status for Friends of the Library

Do we have to hire a lawyer to fill out forms for our Friends of the Library group to get Federal & State Tax Exempt Status? Is it necessary to file articles of incorporation with the state before we can get a Federal ID#? I have run off Form 1023, 8718, and SS-4 from the IRS site thinking these would do the trick. TIA Norma Glock, Columbus High School glockn@columbus-hs.k12.mt.us

3/8/01