



# **How to Create a Nonprofit Organization in Pennsylvania**

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## **Introduction**

The American system of charitable nonprofits has two important features: [1] the nonprofits reduce the burden of government in providing essential public services and [2] allows citizens to directly determine where their tax dollars are spent.

Nonprofit charitable organizations provide a wide range of services including disaster recovery, health care, education, museums, public safety, economic development, support for low income families and many other programs. Without the effective work of nonprofits these otherwise governmental responsibilities would require creation of government agencies, staffing and appropriation of tax payer money to achieve similar results.

The provision in the tax code for tax deductible contributions gives American tax payers opportunities to decide where some of their money for public services should be spent. Instead of paying full tax obligations to the government, citizens can donate funds to nonprofit charities they support and lower their tax bills.

The Commonwealth of Pennsylvania laws and regulations are supportive of nonprofit tax exempt organizations and operation. Websites provide relatively clear information about the procedures for creating a nonprofit corporation and obtaining tax exemption approval.

Following are the steps to create a nonprofit in Pennsylvania.

### Prepare

- Choose and register name with PA Dept. of State [[www.dos.pa.gov](http://www.dos.pa.gov)]
- Identify purpose eligible for tax tax exempt status
- Select incorporators
- Appoint registered agent
- Publish notice of intent to incorporate

### Create Corporation

- Write Articles of Incorporation
- Apply for EIN number [IRS Form SS-4]

### Organize

- Write business plan
- Prepare budget
- Conduct organizing board meeting
- Elect officers and directors
- Approve by-laws
- Adopt conflict of interest policy
- Create bank account
- Approve applications for federal and state tax exempt status
- Register with PA Bureau of Corporations and Charitable Organizations [Form BCC-10]

### Obtain Tax Exemption Status

- Submit IRS Form 1023 or Form 1023-EZ for federal 501(c)(3) approval
- Submit PA-100 Section 22 for state tax exempt approval

Note: these guidelines are for information purposes only. Obtaining assistance from legal counsel when creating a nonprofit corporation is recommended.

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