



Primary benefits of a 501(c)(3) corporation

Nonprofits are eligible to apply for 501(c)(3) tax exemption if their purpose is to become a charitable, religious, scientific or educational organization. After gaining the 501(c)(3) status, organizations obtain various benefits to help their cause. We can help your organization attain 501(c)(3) federal tax exemption status so that you can receive the benefits listed below.

- **Tax Exemption** – your organization is exempt from federal and state corporate taxes. Further, in some states and some types of organization may be exempt from sales taxes and property taxes.
- **Legitimacy and Credibility** – Being recognized by the IRS as a 501c3 will make your organization more official and credible in the eyes of the public and other entities.
- **Deductibility of Donations** – Your individual and corporate donors will be able to deduct their donations from their personal and corporate taxes. Your organization can acknowledge and thank its donors by providing a tax deduction receipts for cash and non-cash donations.
- **Grant Eligibility** – Foundations, corporations and government grants nearly exclusively require nonprofits to be 501c3's in order to receive grants or donations. They won't even consider an organization that is not registered as a 501(c)(3) entity. Once you are approved you will be listed with the IRS and receive an IRS Letter of Determination to prove your status when applying for grants and seeking corporate donations.
- **Limited Liability Protection** – Nonprofit corporations provide their founders, officers and directors with protection against personal liability for the activities of the nonprofit.
- **Discounted Postage rates** – 501c3 Nonprofits can obtain discount postage rates and special non-profit mailing privileges. The United States Postal Service gives nonprofits the option to take advantage of special bulk mailing rates which can in turn save a lot in postage.
- **Discounts on Publicity** – Many media outlets often give free or discounted rates for public service announcements and press releases from nonprofit organizations. When planning to advertise an event or make an announcement, be sure to tell the outlet that you are a 501(c)(3).
- **Perpetual Existence** – A nonprofit corporation survives the life of its founders.