



Starting a Nonprofit (501c) in the USA

Summary sheet: 501(c) structures, formation, EIN, and compliance

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Why start a nonprofit in the United States?

Forming a nonprofit gives a solid framework to a charitable, educational, cultural, or community project. A recognized structure builds donor trust and, with 501(c)(3) status, makes gifts tax-deductible. In return, the organization takes on lasting transparency and compliance duties.

Understanding the structures: 501(c)(3), 501(c)(4), and others

501(c) is the federal tax code section listing exempt organizations. 501(c)(3) covers charitable, religious, educational, or scientific purposes (gifts generally deductible, partisan activity prohibited). 501(c)(4) covers social welfare and civic groups (gifts generally not deductible). Other categories exist (501(c)(6), 501(c)(7)).

The full formation process in a U.S. state

Formation happens first at the state level, then federally for the exemption: define the mission; choose and check the name; file articles of incorporation with the Secretary of State; appoint a board; adopt bylaws and a conflict-of-interest policy; obtain the EIN; apply for federal exemption. Charitable solicitation registration may be required.

Applying for exemption: Form 1023, 1023-EZ, 1024

Form 1023 is the full 501(c)(3) application. Form 1023-EZ is a streamlined version for eligible small organizations (revenue and asset thresholds). Form 1024 covers other 501(c) categories. The 1023 and 1023-EZ are filed online through Pay.gov with a user fee. Provide accurate information: an inaccurate application can be rejected.

Annual obligations: staying compliant

Most exempt organizations file a Form 990 series return each year: 990-N (e-Postcard), 990-EZ, or 990 by size. Three consecutive years without filing trigger automatic revocation. Add state duties, recordkeeping, and the ban on private inurement.

Can you start a nonprofit without being a U.S. citizen?

There is generally no citizenship or residency requirement to form a nonprofit or sit on the board. In practice: a registered agent with a physical address in the state, a U.S. mailing address, and the EIN via Form SS-4 (fax or mail) if you have no SSN or ITIN. Important: forming a nonprofit grants no immigration right, visa, or entry authorization. Only USCIBP or USCIS officers decide admission to U.S. soil.

Comparison table of 501(c) types

Type	Purpose	Gifts deductible	Form	Documents to provide	Return
501(c)(3)	Charitable, educational, religious, scientific	Yes (generally)	1023 or 1023-EZ	Articles, bylaws, EIN, budget	990 series
501(c)(4)	Social welfare and civic, advocacy	No (generally)	1024-A	Form 8976, articles, bylaws, EIN	990 series
501(c)(6)	Business leagues, chambers of commerce	No	1024	Articles, bylaws, EIN, activity	990 series
501(c)(7)	Social and recreational clubs	No	1024	Articles, bylaws, EIN, membership	990 series

Official forms and steps (U.S. Government)

Key forms: SS-4 (EIN), 1023 / 1023-EZ (501(c)(3) exemption), 1024 / 1024-A (other categories), 990 series (annual return). The 1023 and 1023-EZ are filed on Pay.gov; the EIN is obtained on the IRS site. The business registry is handled by each state.

Bank account, EIN, registered agent

The EIN is the organization's federal identifier (free from the IRS). A dedicated bank account strictly separates nonprofit and personal funds (articles, EIN, bylaws, and IDs requested). The registered agent receives official documents and must have a physical address in the state; most states require one.

Frequently asked questions

Q. How many directors do I need?

The minimum varies by state (often one to three). A board of at least three independent members is recommended.

Q. Is the EIN free?

Yes, getting the EIN from the IRS is free. Beware of paid third-party sites.

Q. What happens if I don't file the Form 990?

Three consecutive missed years trigger automatic revocation of exempt status.

Official U.S. government links

IRS, Charities & Nonprofits : <https://www.irs.gov/charities-non-profits>

IRS, applying for exemption : <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>

IRS, Form 1023 : <https://www.irs.gov/forms-pubs/about-form-1023>

IRS, Form 1023-EZ : <https://www.irs.gov/forms-pubs/about-form-1023-ez>

IRS, Form 1024 : <https://www.irs.gov/forms-pubs/about-form-1024>

IRS, Form SS-4 (EIN) : <https://www.irs.gov/forms-pubs/about-form-ss-4>

IRS, apply for an EIN : <https://www.irs.gov/ein>

IRS, Form 990 series : <https://www.irs.gov/forms-pubs/about-form-990>

IRS, Publication 557 : <https://www.irs.gov/publications/p557>

Pay.gov : <https://www.pay.gov/>