

"Forming a State Horse Council Foundation"

GUIDE TO ESTABLISHING A PUBLIC FOUNDATION UNDER IRC Section 501 (3) c and SECTION Section 509 (a)

- 1.) Organize a steering committee of volunteers to act as initial board of directors and establish and fund a preliminary budget for creation of foundation. A fund of at least \$5,000 is recommended to cover initial start up costs such as professional, legal and accounting services and governmental filing fees.
- 2.) Obtain current version of IRS Publication 557 and Package 1023. Check with state's secretary of state or other state agency which has jurisdiction over the creation of nonprofit corporations.
- 3.) Check with state revenue department with regard to application for state income tax-exempt status.
- 4.) Find a lawyer who concentrates in association and foundation law,
- 5.) Form nonprofit corporation under state law which includes adopting:
 - Articles of incorporation
 - Bylaws
 - Including minutes in the official record
 - Board of directors or trustees
 - Applying for Employer Identification Number using IRS Form 55-4
- 6.) Apply for income tax-exempt status under IRS Section 501 (c) (3) and public foundation status under IRS Section 509 (a) (a) (6) using IRS Form 1023 and pay applicable user fee using IRS Form 8718 (\$150 -\$500).
- 7.) Apply for state income tax-exempt status under state law.
- 8.) Manage foundation so as to comply with requirements of state and federal law to maintain state and federal tax-exempt, nonprofit and public foundation status.
- 9.) Comply with annual state corporation reporting requirements.
- 10.) File annual state and federal tax returns.