Maintain your 501(c)(3) status: Follow these do’s & don’ts

Your status with the IRS as a tax-exempt “public charity” gives you significant benefits — paying no federal, state or local income taxes is the most obvious advantage. And the good news doesn’t stop there.



- [ ] Do comply with reporting obligations.
- [ ] Do maintain the required level of public support.
- [ ] Do pay employment taxes and properly withhold from employees’ paychecks.
- [ ] Do use a formal process to approve compensation.
- [ ] Don’t operate for the benefit of private interests.
- [ ] Don’t generate excessive unrelated business income (UBI).
- [ ] Don’t engage in substantial lobbying or any political campaign activities.

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