

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.