

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.