Applying for Tax Exempt Status

West Point Societies are not formally federated; there is no parent organization. Each Society is autonomous and structured in a way that best suits the purpose and activities of its membership. Therefore, each is required to remain financially self-sustaining. Societies may wish to apply to the Internal Revenue Service for a Tax-Exempt Status determination as an entity exempt from federal taxation under the provisions of the Internal Revenue Code. There is no federal requirement that entities applying for federal tax-exempt status be incorporated under state law. Certain advantages may accrue from an IRS determination that a Society is tax-exempt. The entity is generally exempt from federal income tax. In most states, the entities would be exempt from state sales tax. Members and others who make donations to the Society may deduct the amount of their contributions in whole or in part from their gross income when computing their personal income tax liability. Another advantage of tax-exempt entities is the availability of a reduced bulk postage rate for large mailings.

There are companies that help with setting up non-profits. If you search for “companies that help establish non-profits” you will get a whole list. *(I am not listing them here because WPAOG has not vetted any of them.)* Some of you might be more comfortable with speaking to another Society Leader who has done it personally. To help connect you, we asked for help from those who have previously completed the process. The following Graduates have offered to assist you with getting started. Please keep in mind that they are volunteers and are only helping you with your process because they previously went through it. *They are not professionals offering any type of legal or financial advice.*
Resources:

West Point Society of Cleveland - Rick Richkowski
West Point Society of Denver – Dave Jackson
West Point Society of Nebraska and Western Iowa – Mark Ellis

IRS Educational Resources and Guidance for Exempt Organizations:
For the most recent forms or additional questions please call the IRS toll-free number—800.829.FORM—or the appropriate number listed in the telephone directory under U.S. Government, Internal Revenue Service, Information and Forms. You can also visit their websites at http://www.stayexempt.irs.gov/StartingOut.aspx and http://www.irs.gov/Charities-&-Non-Profits/Other-Non-Profits.

Different Types of Applicable Organizations:
- **Charitable Organizations 501(c)(3)** - To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

- **Veterans' Organizations 501(c)(19) and 501(c)(23)** - The Internal Revenue Code section 501(c) includes two subsections [501(c)(19) and 501(c)(23)] which provide for tax-exemption under section 501(a) for organizations that benefit veterans of the United States Armed Forces. Internal Revenue Code section 7701(a)(15) defines “Armed Forces of the United States” to include all regular and reserve components of the uniformed services which are subject to the jurisdiction of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, and each term also includes the Coast Guard.

Helpful Links:
- Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
- Applying for 501(c)(3) Tax-Exempt Status
- Application Process
- Exemption Requirements - 501(c)(3) Organizations
- Future Webinars and Recorded Events
- Stay Exempt Mini-courses for 501(c)(3) Organizations
- Published Guidance for Exempt Organizations
- Forms and Instructions
- Current 990-series Forms and Instructions
- Life Cycle of an Exempt Organization