IRS

Exemption Requirements - 501(c)(3) Organizations

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.

Organizations described in section 501(c)(3) are commonly referred to as **charitable organizations**. Organizations described in section 501(c)(3), other than testing for public safety organizations, are eligible to receive tax-deductible contributions in accordance with Code section 170.

The organization must not be organized or operated for the benefit of private interests, and no part of a section 501(c)(3) organization's net earnings may inure to the benefit of any private shareholder or individual. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, an excise tax may be imposed on the person and any organization managers agreeing to the transaction.

Section 501(c)(3) organizations are restricted in how much political and legislative (*lobbying*) activities they may conduct. For a detailed discussion, see Political and Lobbying Activities. For more information about lobbying activities by charities, see the article Lobbying Issues; for more information about political activities of charities, see the FY-2002 CPE topic Election Year Issues.

Interactive Training

Learn more about the benefits, limitations and expectations of tax-exempt organizations by attending 10 courses at the online Small to Mid-Size Tax Exempt Organization Workshop.

Additional Information

- Application Process Step-by-Step: Questions and answers that will help an organization determine if it is eligible to apply for recognition of exemption from federal income taxation under IRC section 501(a) and, if so, how to proceed.
- Private foundations - requirements for exemption
- Tax-Exempt Status: Online training available at the IRS microsite StayExempt.irs.gov.

Page Last Reviewed or Updated: 17-Mar-2020

Chapter 4. Pledge to Pretect Charitable Organization Status of the Temple

I agree that I have read and have the responsibility to abide by the requirements of 501(c)(3) organization as listed in this document.

Further I agree, I shall immediately report all incidents with evidence involving violation of the requirements listed in this document to the CFO of the Board of Directors, in order to help implement remedial actions to protect the 501(c)(3) status of the temple.

Charitable Organization Minimum Requirements as published in IRS as of May 24th, 2020

Reference: https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations

1. 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.

2. A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons control ed directly or indirectly by such private interests.

No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.

3. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, excise tax may be imposed on the person and any organization managers agreeing to the transaction. An excess benefit transaction is any transaction where a disqualified person receives an economic benefit from the tax-exempt organization with a value greater than the value provided by that person to the organization. All members of the management team are generally considered as disqualified.

4. 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.

5. Section 501(c)(3) organizations are restricted in how much political and legislative (lobbying) activities they may conduct.

6. Organizations described in section 501(c)(3) are commonly referred to as charitable organizations. Organizations described in section 501(c)(3), other than testing for public safety organizations, are eligible to receive tax-deductible contributions in accordance with Code section 170.

I ____________________________________, understand & agree this is a legal representation of my signature.

Signature ____________________________	Date: