

# Nonprofit Filing Requirements: What You Should Know

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5 min read



You can't get away scot-free from the IRS just because you're running a tax-exempt nonprofit organization.

## Key Takeaways

- **Filing Requirements for Nonprofits:** Nonprofit filing requirements vary based on your nonprofit's status, the type of nonprofit organization, its size, and...
- **What IRS Filings Are Required for Nonprofits?:** Nonprofits do not automatically receive tax-exempt status and are not automatically considered to be 501(c)(3) organizations....
- **Make the Most of Your Form 990 With a Nonprofit Annual Report:** Your nonprofit's annual information report filed with the IRS is public, which means all of your constituents can look it up and assess your organization's operations and financial soundness....

Nonprofits still have federal (and local) filing requirements with which they must comply to remain compliant with all the rules and regulations of the governments under which they operate. Failing to comply with these filing requirements could be costly for the organization and result in the organization incurring income tax liabilities, or it could even result in the loss of your nonprofit's tax-exempt status.

## Filing Requirements for Nonprofits

Nonprofit filing requirements vary based on your nonprofit's status, the type of nonprofit organization, its size, and the state(s) in which you are located and operating. Although there are lots of resources online, your mission and the work you do are important and shouldn't be left vulnerable to risks associated with non-compliance. For information about the filing requirements that are specific to your organization, we strongly encourage you to talk with your state's local nonprofit filing agency, a tax attorney, or an accountant.

## What IRS Filings Are Required for Nonprofits?

Nonprofits do not automatically receive tax-exempt status and are not automatically considered to be 501(c)(3) organizations. If your nonprofit is a charitable organization that wishes to be tax-exempt, then it must meet certain requirements and apply for federal tax-exempt status with the IRS [1].

Additionally, nonprofits are required to file an annual information return with the IRS. Although there are several different forms in the 990 Series, the annual information return is commonly referred to as "Form 990." The form is public and provides both the IRS and the general public with financial information about charitable organizations.

This form must be filed by the 15th day of the fifth month after the end of the nonprofit's fiscal year [2].

**Read More:** [When and How Do You Know Your Nonprofit Needs To Be Audited?](#)

## **Do All Nonprofits Have to File a 990?**

Most charitable organizations that are tax-exempt are required to file a 990 Series form (an annual information return) with the IRS. However, there are a few exceptions to this annual filing requirement with the IRS. Some exceptions include certain governmental organizations, church-affiliated or religious organizations, and nonprofits that have not filed for Federal tax exemption.

The type of 990 (Form 990, 990-EZ, 990-PF, or 990-N), your organization must file depends on various factors. For example, some nonprofits (those that have less than \$50,000 in annual gross receipts) are required to file Form 990-N. Form 990-N is also sometimes referred to as an e-Postcard since it is filed electronically [3].

It's important to be certain that your organization is, in fact, exempt before neglecting to file an annual information return. Failing to file a Form 990 on time can result in penalties and even income tax liability for nonprofit organizations. Additionally, failing to file a Form 990 for three consecutive years will automatically result in the revocation of the organization's tax-exempt status. To find out whether or not your organization needs to file Form 990 with the IRS, you should consult with an accountant or tax attorney [4].

## **State and Local Nonprofit Filing Requirements**

If your organization is not federally registered, you likely still need to keep track of state and other local filing requirements. These differ greatly from state to state, but generally, state filing requirements include charitable registration, an annual or bi-annual corporate report, annual registration and filing fee payment, and tax-exempt status in the state [5].

Again, filing requirements for nonprofits are different in every state, so it's important to check your state's statutes for accurate filing requirements. For assistance, you can speak with a local accountant, tax attorney, your state agency, or with the National Association of State Charity Officials [6].

**Read More:** [Reporting Rules For Nonprofit- State By State](#)

## **Nonprofit Auditing: Always Be Audit-Ready**

Although most nonprofit organizations have tax-exempt status, this does not mean they are also exempt from audits. Nonprofits can be audited by the IRS, local government agencies, and even watchdog organizations that rate or grade nonprofits on their financial transparency, ethics, operational efficiencies, and overall impact.

To always be ready for an audit (and ready to file your Form 990), you need a solid back office with [bookkeeping and accounting procedures](#) that are sound, secure, accurate, efficient, and

timely. Modern back office tools and technology can be used to keep impeccable financial records that make filing your annual information report a breeze.

In addition to filing your report and being audit-ready, you'll also have your nonprofit's numbers available at all times which can empower your leadership decisions and inform the strategic decisions made by your board of directors.

## **Make the Most of Your Form 990 With a Nonprofit Annual Report**

Your nonprofit's annual information report filed with the IRS is public, which means all of your constituents can look it up and assess your organization's operations and financial soundness. Since the information is already public, we recommend using it to your advantage. Savvy nonprofit leaders use the financial information readily available in their annual reports to publish their own annual reports on their websites that can be shared with their donors and other constituents.

Since you're already doing the work of completing and submitting a Form 990 to the IRS, you might as well take it one step further to create a more marketable version of the information. These versions of nonprofit annual reports are much more marketable because the information is presented in a way that is branded, visually pleasing, and easily digestible.

For example, instead of publishing your numbers in the raw, you can turn those numbers into key performance indicators that readily demonstrate your organization's impact while also demonstrating the impact of your donors and volunteers. These annual reports have multiple purposes within an [organization](#). They can be used as thank you letters to donors and mission education materials. Additionally, they can (and should!) be included in your fundraising campaign materials.

There's no better way to spread the good word about your organization than with an IRS document you're already required to file!

1. <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>
2. <https://www.irs.gov/charities-non-profits/annual-filing-and-forms>
3. <https://www.irs.gov/charities-non-profits/annual-electronic-notice-form-990-n-frequently-asked-questions-and-answers>
4. <https://www.councilofnonprofits.org/tools-resources/federal-filing-requirements-nonprofits>
5. <https://www.councilofnonprofits.org/tools-resources/state-filing-requirements-nonprofits>
6. <http://www.nasconet.org/resources/state-government/>

