


Should your church apply for recognition?

501(c)(3) Status
For Churches
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for recognition?



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FACT:
Churches are automatically
exempt per IRS Code
Section 501(c)(3).

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IRS Definition of a Church (14 Criteria)

1. A distinct legal existence	8. Ordained ministers selected after completing prescribed studies
2. A recognized creed and form of worship	9. A literature of its own
3. A definite and distinct ecclesiastical government	10. Established places of worship
4. A formal code of doctrine and discipline	11. Regular congregations
5. A distinct religious history	12. Regular religious services
6. A membership not associated with any other church or denomination	13. Sunday schools for religious instruction of the young
7. An organization of ordained ministers	14. Schools for the preparation of its ministers

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Should your church apply for recognition?

Should your church file the Form 1023 anyway?

Examples of where it may be beneficial:

- Determination letter may be required for eligibility for a donation matching program.
- Your church may be eligible for discounts on things like software, but the determination letter could be required.
- A community member may be looking to donate money to an organization, and your church may be overlooked if you don't have a determination letter.
- 501(c)(3) determination letter could clear up confusion, as not everyone necessarily knows churches automatically have that status.

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Filing Form 1023

Option #1 - Form 1023-EZ:

- Can be completed online relatively easily
- Small filing fee, currently \$275
- Must have annual gross receipts of \$50,000 or less to qualify for the EZ form

Option #2 - Form 1023

- Full-fledged version, completed on paper
- Greater filing fee, currently \$600, plus the cost of accounting services
- Could be completed on your own, but is rather tedious

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