

Forming a Charitable Organization

There are three major governmental bodies that every charitable organization operating in the State of Illinois must contact prior to solicitation or other activity within the state. A fourth governmental entity, the Illinois Department of Revenue, should also be contacted if the charitable organization wishes to apply for exemption from state sales tax.

1. Office of the Illinois Attorney General, Charitable Trust Bureau

An organization must contact the Office of the Illinois Attorney General's Charitable Trust Bureau to register as required under the Illinois Charitable Organization Laws prior to any solicitation or holding of charitable assets. Office of the Illinois Attorney General, Charitable Trust Bureau, 100 W. Randolph St., 11th Floor, Chicago, IL 60601, 312-814-2595 (TTY: 1-800-964-3013).

2. Secretary of State, Department of Business Services, Corporation Division

An organization must decide if it is going to operate as an incorporated organization or an unincorporated association. If it wishes to incorporate, the organization must contact the Secretary of State, Department of Business Services, Corporation Division, 501 S. 2nd St., Rm. 328, Springfield, IL 62756, 217-782-6961, or 69 W. Washington St., Ste. 1240, Chicago, IL 60602, 312-793-3380. Forms and filing information can also be obtained from the Secretary of State.

3. Internal Revenue Service

An organization should also contact the Internal Revenue Service to determine the type of tax exemption for which the organization would qualify and obtain the forms for applying for the exemption at Internal Revenue Service, 320 W. Washington St., Room 611, Springfield, IL, or 230 S. Dearborn St., Room 2400, Chicago, IL 60604, toll-free 1-800-829-1040. Internal Revenue Service forms can also be obtained at 1-800-829-3676 or at the Internal Revenue Service. In addition, questions concerning exempt status are referred to 1-877-829-5500.

Once the organization receives an exemption from the Internal Revenue Service, it is automatically exempt from paying state income tax, with certain exceptions.

4. Illinois Department of Revenue, Sales Tax Exemption Section (optional)

Some organizations may also wish to procure an exemption from state sales tax if the organization plans to purchase goods for its activities. This exemption can be obtained by contacting the Illinois Department of Revenue, Sales Tax Exemption Section, 101 W. Jefferson St., Springfield, IL 62708, 217-782-8881.

For detailed information on the technical aspects of creating a nonprofit organization, sponsors are encouraged to seek legal advice from private attorneys. The governmental agencies above provide advice and service on filing and procedural requirements only.