



501c3 Basic Information

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What is a 501c3 organization?

An agency receiving 501c3 status is exempt from paying federal taxes. The Internal Revenue Service (IRS) defines several categories of agencies eligible to apply for 501c3 status. Some of these potentially federal tax-exempt organizations are: charitable organizations (religious, charitable, scientific, testing for public safety, literary, educational or other specified purposes); churches & religious organizations; and other nonprofits such as social welfare organizations, civic leagues, social clubs, labor organizations, and business leagues.

What is an Employer Identification Number (EIN), and do I need it?

An EIN is required to apply for 501c3 status. An agency must be a legally formed agency before applying for an EIN. The IRS allows you to [apply online](#) for an EIN. You can also learn more from the IRS website about [obtaining an employer identification number](#).

What is the difference between a nonprofit and a 501c3 organization?

The IRS defines the difference in the following paragraph:

Nonprofit status is a state law concept. Nonprofit status may make an organization eligible for certain benefits, such as state sales, property and income tax exemptions. Although most federal tax-exempt organizations are nonprofit organizations, organizing as a nonprofit organization at the state level does not automatically grant the organization exemption from federal income tax. To qualify as exempt from federal income tax, an organization must meet requirements set forth in the Internal Revenue Code. (<https://www.irs.gov/charities-nonprofits/frequently-asked-questions-about-applying-for-tax-exemption>)

Why is nonprofit and/or 501c3 status a requirement for CLINIC affiliation?

CLINIC affiliation is open to agencies with 501c3 status and other nonprofit entities, such as local government and some educational institutions. CLINIC affiliation is not available to individuals. CLINIC Affiliates are required to offer immigration legal services to their communities in an authorized manner. If not employing attorneys, an agency will need to apply for Department of Justice Recognition, and this process requires proof of 501c3 status. Please

see [this resource](#) for more information about what agency Recognition and staff Accreditation allow your agency to do.

How do I apply for a 501c3 designation, what forms do I need, and how long does it take?

The Internal Revenue Service (IRS) produces instructions, guides, and forms for use in this process. CLINIC recommends those resources be consulted and followed. [The IRS also creates FAQs and online tools and resources for assistance through the process.](#)

Why does CLINIC require that my organization have 501c3 status for at least a year before applying for CLINIC affiliation?

CLINIC affiliation is open to established nonprofit and 501c3 designated organizations with strong community ties and experience serving the community in some capacity. Agencies with these characteristics are most often able to begin, sustain, and grow immigration legal services in their communities, providing consistent and high-quality legal services.

Where can I find more information?

The IRS often updates its materials regarding the 501c3 application process. CLINIC recommends checking [the IRS website](#) before beginning the process to apply for an agency's 501c3 status.