
Volunteer Lawyers Project
Nebraska State Bar Association

How to Form a 501(c)(3) Nonprofit Organization



A 501(c)(3) nonprofit organization has many advantages, including receiving tax-deductible donations and applying for grants. This guide outlines the basic steps to set up a 501(c)(3) nonprofit organization in Nebraska.

1. Choose a name. The name must meet state law requirements under Neb. Rev. Stat. §21-1931. It cannot be the same name as, or too similar to, names of other entities in the state. You can check with the Nebraska Secretary of State to make sure the name is available.

2. Select an incorporator, registered agent, and initial directors. The incorporator signs the Articles of Incorporation. The registered agent receives legal notices and correspondence from the Secretary of State on behalf of the corporation. The registered agent must be physically located in Nebraska. The board of directors will govern the corporation. You will need at least three initial directors. You will also need to determine their term or how long the directors will serve.

3. File articles of incorporation. Your nonprofit corporation's articles of incorporation must include (1) the name of your corporation, (2) whether it is a public benefit, mutual benefit, or religious corporation, (3) street address of the corporation's initial registered office and name of the registered agent at that office, (4) name and street address of the incorporator, (5) whether the corporation will have members, (6) and provisions regarding the distribution of assets on dissolution in compliance with nonprofit regulations. You will need to file the articles of incorporation with the Nebraska Secretary of State. The filing fee is \$10 plus \$5 per page.

4. Publish notice of incorporation. Once the Secretary of State approves the filing of your articles of incorporation, you must publish a notice of incorporation for three consecutive weeks in a newspaper of general circulation near the designated office. A notice of incorporation must include (1) the name of your corporation, (2) whether the corporation is a public benefit, mutual benefit, or religious corporation, (3) the street address of the corporation's initial registered office and the name of its registered agent at that office, (4) the name and street address of the incorporator, and (5) whether or not the corporation will have members. After publication, you must file a proof of publication with the Secretary of State. This costs \$5 in addition to \$5 per page.

5. Draft bylaws. The bylaws are the governing document for your nonprofit corporation. They serve as your organization's operating handbook and should be consistent with your articles of incorporation and Nebraska law. The bylaws do not need to be filed with the Secretary of State.

6. Hold organization meeting of board of directors. At this meeting, the board will adopt the bylaws, approve a conflict of interest policy, appoint officers, and approve resolutions such as opening the corporation's bank account. It is also important to take meeting minutes.

7. Obtain an Employer Identification Number (EIN). You can apply for your EIN from the IRS online or by phone, mail, or fax. You will use your EIN to open a bank account, apply for 501(c)(3) status, and submit 990 returns to the IRS.

8. Apply for 501(c)(3) designation. You must complete and file Form 1023 or Form 1023-EZ to obtain your 501(c)(3) tax-exempt status. Both forms can be completed and submitted on the IRS website. Review the instructions for each application and make sure you meet the eligibility requirements set out by the IRS. You can find instructions for the forms on the IRS website. The filing fee for Form 1023-EZ is \$275 while the filing fee for Form 1023 is \$600. Once your application has been approved, the IRS will mail you a Determination Letter officially recognizing your exemption.

9. Maintain compliance. You must file a biennial report with the Nebraska Secretary of State in odd numbered years by April 1st. You must also file Form 990, an annual information return, with the IRS every year.

The information in this brochure is for educational purposes only. It is not legal advice or a substitute for legal advice by a lawyer. If you want legal advice, you should contact a lawyer licensed to practice law in Nebraska.

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