



THE LAW OFFICES OF
HOYT & BRYAN, LLC
FAMILY WEALTH & LEGACY COUNSELLORS

MARGARET "PEGGY" R. HOYT, J.D., M.B.A., B.C.S. ‡†*
RANDY C. BRYAN, J.D., B.C.S. ‡†
SARAH S. AUMILLER, J.D.
MICHELLE A. ADAMS, J.D.

‡ BOARD CERTIFIED IN WILLS, TRUSTS & ESTATES
† BOARD CERTIFIED IN ELDER LAW
*CERTIFIED LEGACY ADVISOR™

Understanding 501(c)(3) Nonprofits

A nonprofit is an organization whose primary objective is to support some issue or matter of private interest or public concern (such as the arts, charities, education, politics, religion, scientific research, or some other endeavor) for non-commercial purposes. There are different kinds of nonprofits, one known as a 501(c)(3). This particular nonprofit gets its name from the specific section of the Internal Revenue Code (Section 501(c)(3)), which exempts the organization from paying federal income tax.

There are two primary benefits of an organization obtaining 501(c)(3) status. First, the 501(c)(3) company is exempt from all federal income and (sometimes) property tax and frequently receives beneficial treatment from states. Second, 501(c)(3) companies are qualified to receive tax-deductible donations. This means, subject to certain limitations, contributions to a 501(c)(3) company can be deducted from the donors taxable income—more incentive for individuals to give to the organization.

It is important to know that tax exempt organizations, other than churches, must file a yearly return or statement with the IRS. The required return is most typically IRS Form 990. If the 501(c)(3) does not file the Form 990 as required for three consecutive years, the law provides the organization automatically loses its tax-exempt status. Loss of this important exempt status means an organization must file income tax returns and pay tax, and its contributors will not be able to deduct their donations.

IRS Form 990 may also be used by donors as the starting point for any financial analysis of a charity. The Form 990 details sources of funds received, use of funds expended, and changes in assets and liabilities. Anyone may obtain a copy of an organization's exemption application or annual information return (Form 990). A request may be made directly to the organization, by submitting a request at the IRS.gov website, or directly to the Internal Revenue Service on Form 4506-A. Further, many Central Florida charities are profiled by the Central Florida Community Foundation at their website mycfcf.org.

The Law Offices of Hoyt & Bryan assists families in the protection of their loved ones by focusing their practice in the areas of Estate Planning, Probate and Trust Administration, Elder Law including Medicaid and VA Planning and Special Needs Planning, Pet Planning, Business Succession Planning and Real Estate. The founders, Peggy Hoyt and Randy Bryan, are both dual board certified by the Florida Bar in Wills, Trusts and Estates as well as Elder Law. Hoyt & Bryan is the only law firm in Florida with the distinction of two attorneys with these certifications. We offer many complimentary educational workshops each week in our Learning Center at The Law Offices of Hoyt & Bryan and

monthly workshops in the Auditorium of One Senior Place in Altamonte Springs. For more information please contact our office at 407-977-8080 or visit our website HoytBryan.com.