

How to Form a Church (Nonprofit Corp.)

Wisconsin

1. Choose the Legal Name of Your Organization

- The name must contain one of the following:
 - a) Corporation/Corp
 - b) Incorporated/Inc
 - c) Company/Co
 - d) Limited/Ltd
- Make sure the name is available and meets state requirements [here](#)
 - a) You may reserve a name for 120 days by filing [here](#)
 - b) Must file by postal mail
 - c) Non-refundable fee of \$10
 - d) Fee must be submitted with application to reserve name
 - e) Fee must be paid by personal check, cashier's check, or money order
- The legal name you pick does not have to be the actual name of the church
 - a) It is used for the articles of incorporation
 - b) Once the organization is established you can file for a DBA if you choose
 - i) How to obtain a DBA in Wisconsin
 - 1) A DBA (doing business as) is used when the name a company operates under is different from its legal name
 - 2) File [here](#) online to register your trade name
- If you have any questions, the Department of Financial Institutions direct number is 608-261-7577

2. Choose Directors, Officers, and Incorporators

- Directors are the governing body and determine the success of the company
 - a) Minimum of three directors
 - b) Directors serve a one-year term
 - c) Qualifications: Individual. No residency or membership requirement.
 - d) Quorum: majority
- The incorporator is the person who signs the Articles of Incorporation
 - a) You need at least one, but can have more than one
- Wisconsin Officer Requirements
 - a) Must have a President, Secretary, and a Treasurer (unless defined otherwise)
 - b) Two or more officers may be held by the same individual

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3. Requirements to be a Registered Agent

- Must be registered agent in the state of Wisconsin
- Must have a physical street address in Wisconsin (not a PO box)
- Must agree to accept legal papers if the corporation is sued
- Small nonprofit corporations typically name a director or officer to serve as an agent
- The agent must consent to the appointment
- You can also hire a Registered Agent Service

4. File Articles of Incorporation

- File through the department of **financial institutions**
- It is important to customize the article to meet both State and IRS requirements
 - a) Use **this page** from the IRS to help with filing
- File **online** or by **mail** for \$35 (payment can be made via credit card)
- 4-7 business day turnaround
- Must include:
 - a) Your nonprofit's corporate name
 - b) A statement that the corporation is incorporated under Wisc. Stats. Ch. 181
 - c) The name and street address of the corporation's registered agent
 - d) The street address of its initial principal office
 - e) Whether or not the corporation will have members
 - f) Whether the corporation is authorized to make certain distributions
 - g) The effective date of the articles, if later than the filing date
 - h) The name and address of each incorporator
- Understand that you will need confirmation from the WDFI in order to be registered as a corporation in Wisconsin

5. Obtain Your Employer Identification Number (EIN)

- This is a nine-digit number assigned by the IRS to identify your nonprofit.
- Your EIN is used for:
 - a) Opening a bank account
 - b) Applying for 501(c)(3) status
 - c) Submitting 990 returns to the IRS
- You can file **online** for free or by **mail** for \$35

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6. Establish Initial Governing Documents and Policies

- Bylaws consist of:
 - a) Governing documents
 - b) Serve as an internal operating manual
 - c) Should be consistent with your Articles of incorporation
 - d) Usually cover:
 - i) Name and location of the organization
 - ii) Purpose
 - iii) Election, roles, and terms of directors and officers
 - iv) Membership
 - v) Compensation and indemnification of directors
 - vi) Amendment of bylaws
 - vii) Dissolution
- Conflict of Interest Policy
 - a) Personal interest should be set aside and organizational interest prioritized
- Your application to the IRS for 501(c)(3) exemption will require that both the bylaws and the conflict of interest policy are approved and adopted
- If you need help or ideas, use [this website](#) for templates or look online for an attorney in your area to make the process less difficult

7. Create Minutes for First Board Meeting

- The first board meeting should take actions as:
 - a) Approving the bylaws
 - b) Appointing officers
 - c) Setting an accounting period and tax year
 - d) Approving initial transactions of the corporation
- You can consult an attorney or use one of the many templates available online such as [this one](#) for your initial minutes

8. Get State Tax ID Number

- This is an identification number used by the Department of Revenue in the administration of tax laws
 - a) This number also allows a retailer to enroll or obtain a Resale Certificate, Sales Tax Permit or Seller's Permit (all refer to the same thing) which allows for tax-exempt status
- File your [Online Tax ID Form](#)
- File a [Mail Tax ID Form](#)
- The fee is \$20 and you can expect a 15-day turnaround
- Must be renewed after 2 years for a fee of \$10

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9. Apply for a 501(c)(3)

- Completing the federal application for tax exemption is easier/recommended with professional assistance. It is estimated to take over 100 hours to complete the application. The fee for form 1023 is \$600.
 - a) Register for an account [here](#)
 - b) Complete the IRS Form 1023 online [here](#) (scroll to bottom of page)

10. Apply for State Tax Exemptions

- Once you have your IRS Determination Letter, your organization is exempt from Wisconsin corporation franchise and income taxes. No application or notification is required.
 - a) You can still file to obtain Sales and Use Tax Exemption
 - b) File through mail [here](#) for free

To claim the exemption if you are a qualifying organization, print out and give your seller a fully completed Wisconsin Sales and Use Tax Certificate (Form S-211) with the "Other purchases exempt by law" box checked stating that your organization qualifies for exemption under sec. 77.54(9a)(f), Wis. Stats.

11. Register for Charitable Solicitation

- To apply to be charitable solicitation complete this application ([Form 296](#)), fee of \$15
- Note the list of 17 attachments that first-time registrants must attach to the application
- The President and CFO must sign. Signatures must be notarized

Required Attachments:

- [IRS form 990](#)
 - a) Since your business is tax-exempt, your yearly activities may be subject to more scrutiny by the IRS. [Form 990](#) allows an organization to completely disclose all of its activities every year.
 - b) The IRS uses Form 990 to make sure tax-exempt organizations are in compliance with nonprofit requirements
- Audited financials (if applicable)
- Articles of incorporation
- Bylaws
- IRS determination letter (or IRS form 1023 if exemption is pending)
- List of officers and directors
- Professional fundraising contracts

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11. Register for Charitable Solicitation

Required Attachments (CONT.)

- A certificate of good standing from the organization's home state
- Certificate of incorporation
- List of other states where registered to solicit

Registration Renewal

- Filing Method: [Online](#)
- Fee: \$54
- Due: Annually by July 31. An organization that files an initial registration on or after June 1 does not need to renew their registration until the following calendar year.
- The renewal period closes September 30. After this date, you must file a new initial registration.
- You may not file for an extension of the due date.
- A CPA audit is required for large nonprofits.

Charitable Organization Annual Financial Report

There are three possible forms to choose from and they all should be submitted by mail:

Form 1943- A charitable organization must submit this form if it received \$25,000 or less in contributions during its most recently completed fiscal year or received less than \$50,000 in contributions during its most recently completed fiscal year and only solicited contributions in the county where its principal office is located

Form 1952- A charitable organization should submit this form if it files an IRS 990, 990-EZ, or 990PF and doesn't qualify for Form #1943

Form 308- A charitable organization must submit this form if it does not qualify for Form #1943 or Form #1952

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Ongoing Compliance

1. File Annual Report

- Every Wisconsin corporation must file an annual report with the Department of Financial Institutions
- Due at the end of the calendar quarter of the anniversary month of the corporation's formation
- The Department will send a notice to your corporation's registered agent with instructions on how to complete the online filing
- [Non-stock Corporation & Limited Liability Company Annual Report](#)

Checklist

[Articles of Incorporation](#)

[Employee ID Number](#)

[Tax ID Number](#)

[501\(c\)\(3\)](#) (Form 1023)

[Form S211](#) (state tax exemption)

[Form 296](#) (charitable solicitation)

[Form 990](#) (required with Form 296)

[Non-stock & LLC Annual Report](#)

It is Important to make sure you choose the correct Charitable Organization Annual Financial Report to file.

[1943](#)

[1952](#)

[308](#)

(if you are unsure read the qualifications for each report [here](#))

Helpful Links

- [How to Form a Wisconsin Nonprofit Corporation](#)
- [How to Start a Nonprofit in Wisconsin](#)
- [The Ultimate Guide to Starting a 501\(c\)\(3\)](#)
- [How to Start a Nonprofit in the USA 501\(c\)\(3\) \[Step by Step\]](#)
- [Wisconsin Department of Financial Institutions](#)
- [Find a Small Business Development Center near you](#)
- [Form1023.org](#)