

September 13, 2022

**You're a Nonprofit, Now What?**  
**Ongoing Compliance Obligations for New York 501(c)(3) Nonprofit Corporations**

Establishing a nonprofit corporation and successfully obtaining 501(c)(3) status is a significant milestone for any nonprofit, but you should take note of ongoing obligations in order to maintain the organization's good standing. Below is a list of annual filings required for New York nonprofit organizations. In addition, we have noted governance compliance obligations, as well as some common types of ongoing obligations.

*\*\*Please note that obtaining 501(c)(3) status does not automatically exempt a nonprofit from state and local taxes. For an explanation of how to seek exemption from NYS and NYC corporate tax, and NYS sales tax, see our [Legal Alert](#).\*\**

**Annual Filings**

- **File an IRS Form 990 (or 990-EZ or 990-N) annually with the IRS:** Most organizations exempt from federal income tax must file an annual return. Depending on the organization's revenues and assets, it may be able to file the shorter 990-EZ or even the very short 990-N. Filing thresholds can be found here: <https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in>. The filing should include updated bylaws and/or amended certificate of incorporation to the extent substantive updates to such governance documents were made during the course of the year. Exceptions to the annual filing requirement can be found here: <https://www.irs.gov/charities-non-profits/annual-exempt-organization-return-who-must-file>. The Form 990 is due 4 1/2 months after the end of the organization's fiscal year, although organizations filing the 990 or 990-EZ can file for an automatic 6-month extension using [Form 8868](#). Failure to file the Form 990 for three consecutive years will result in automatic revocation of your tax-exempt status.
- **File annual CHAR 500 Form with the New York State Attorney General:** Most charitable organizations registered with the NY Charities Bureau must file a CHAR 500 annually, regardless of whether the organization raised any funds in a fiscal year. Depending on the size of your organization, you may also be required to file financial statements, an independent auditor's report, or unaudited financials along with the CHAR 500. The CHAR 500 is due 10 1/2 months after the end of fiscal year, or 12 months after the end of the fiscal year if only filing under the Estates, Powers and Trusts Law (EPTL).<sup>1</sup> As of September 19, 2022, the Charities Bureau requires charitable organizations to file their CHAR 500 through an [online application](#). To assist with the filling process, the Charities Bureau provides a [3-minute instructional video](#) and an optional "[Annual Filing Checklist](#)" tool.

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<sup>1</sup> For an explanation of the filing due dates, see <https://www.charitiesnys.com/pdfs/extensiongranted.pdf>. The Charities Bureau may sometimes grant additional automatic extensions in response to events such as the COVID-19 pandemic. For the most up to date information, see <https://www.charitiesnys.com/home.html>

## Annual Real Property Filings

- **File Renewal Applications for Real Property Tax Exemption:** Eligible nonprofits that own real property that has received a real property tax exemption should remember to file an annual renewal application. Look for a notice from the New York City Department of Finance in October with your user ID and password. The filing deadline is January 5th each year. See <http://www1.nyc.gov/site/finance/benefits/benefits-not-for-profit-organizations.page>.
- **File Real Property Income and Expense Report:** Owners of income-producing property are required to file an annual Real Property Income & Expense (RPIE) form with the NYC Department of Finance. Property owned by a not-for-profit organization that is fully exempt from taxation and is not rented to any commercial, non-exempt tenants may claim an exclusion from filing by completing Section D of the RPIE form. For more information on the RPIE filing and for eligibility for a claim of exclusion from filing see <http://www1.nyc.gov/site/finance/taxes/property-rpie.page>.

## Governance Obligations

- **Hold annual meetings and provide annual financial report:** Membership organizations are required to hold an annual membership meeting and annual Board meeting, and non-membership organizations must hold an annual Board meeting. In each case, you should consult the organization's bylaws to consider whether the organization should be electing any Board members or officers. An annual financial report must be provided at the annual meetings.<sup>2</sup>
- **Compile annual conflict of interest disclosure statements:** Before their election to the Board and at the annual meeting thereafter, Board members must complete an annual conflict of interest disclosure statement in order ensure the organization can properly review and document transactions between the organization and any individuals deemed insiders under New York State or federal law.<sup>3</sup>

## Other Considerations

The additional filing obligations and compliance obligations for any nonprofit will depend on the specific activities in which the organization is engaged, so we cannot provide a comprehensive list. Funders, particularly government agencies, often impose additional filing or disclosure obligations. However, below are some of the typical filings required of nonprofits:

- **Employment filings:** If the organization has employees, it has registration and regular reporting requirements as an employer under federal law and the New York State Tax Law and Labor Law. This is true whether or not wages are subject to withholding of tax or payment of tax under the personal income tax law. See <https://www.tax.ny.gov/pdf/publications/withholding/nys50.pdf>.

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<sup>2</sup> See N-PCL section 519: <https://codes.findlaw.com/ny/notforprofit-corporation-law/npc-sect-519.html>

<sup>3</sup> See N-PCL sections 715-a: <https://codes.findlaw.com/ny/notforprofit-corporation-law/npc-sect-715-a.html>

- **Advocacy disclosure filings:** Nonprofit organizations engaged in legislative advocacy may be required to file regular disclosure statements under federal, state, and/or local law. See [https://lawyersalliance.org/userFiles/uploads/legal\\_alerts/Nonprofits\\_and\\_Lobbying\\_FAQ\\_Sept\\_2021.pdf](https://lawyersalliance.org/userFiles/uploads/legal_alerts/Nonprofits_and_Lobbying_FAQ_Sept_2021.pdf)
- **Renew insurance:** Under most circumstances, the organization's commercial insurance and directors and officers insurance policies should be reviewed and renewed annually.
- **Renew licenses:** Organizations that have obtained licenses from government agencies (such as a school-aged child care license, or a waiver allowing the organization to employ licensed social workers) should make note of any related renewal and disclosure obligations.

***This alert is meant to provide general information only, not legal advice. Please contact Laura Abel at [label@lawyersalliance.org](mailto:label@lawyersalliance.org) or visit our website [www.lawyersalliance.org](http://www.lawyersalliance.org) for further information or with specific questions.***

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