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FOR IMMEDIATE RELEASE: OCT 5, 2010

## **Nearly 440 Nonprofits in Montana Must Take Action to Preserve Tax-Exempt Status Even After IRS Extension**

Helena, MT (Oct 5, 2010) – The Montana Nonprofit Association (MNA) encourages all nonprofit organizations in Montana, and especially smaller nonprofits with annual revenue under \$25,000, to take simple and immediate steps before October 15th to ensure they do not lose their tax-exempt status.

Congress passed a law that now requires all nonprofits to file an annual form with the Internal Revenue Service (IRS). Nonprofits that have not filed a Form 990 with the IRS in the last three years will lose their status this year. Organizations that were required to file earlier this year were granted a one-time extension until October 15th by the IRS. As the new deadline approaches, there are still nearly 440 nonprofits in Montana who are at risk. If these organizations do not file by the end of next week, they will lose their tax-exempt status this year. There are an additional 72 nonprofits who must file by November 15th and 16 nonprofits that must file by December 15th.

Prior to the passage of the new law, small nonprofits with revenue less than \$25,000 were exempt from filing annually with the IRS. According to research conducted by MNA, current government records show that almost 440 charitable nonprofits in Montana could face the costly and time-consuming prospect of losing their status as a tax-exempt organization on October 18th.

“As we reach this new deadline, MNA is once again contacting as many organizations as possible on this list,” said Brian Magee, Executive Director of MNA. “We recommend that anyone involved with small nonprofits double check the list from the link on MNA’s web site to ensure their organizations have filed. It is particularly important as we near the end of the year – when people are making charitable donations – that nonprofits ensure their tax-exempt status with the IRS is current.”

It would be an expensive distraction for small nonprofits to have to come up with the funds and the time to reinstate the tax status they thought they already had. Nonprofits that lose their tax-exempt status will be required to pay \$300 or \$750, depending on the organization's average annual gross receipts, and submit a new application for tax-exempt status to the IRS. To avoid revocation of tax-exempt status, small nonprofits with revenue less than \$25,000 need to file an electronic version of IRS form 990-N (also known as the ePostcard) by October 15th. This form has eight simple questions and can be filled out in a few minutes. Larger organizations must file form 990 or 990-EZ.

To determine if your organization is at risk of losing tax-exempt status, nonprofit leaders are encouraged to go to the MNA website at [www.mtnonprofit.org/filenow.aspx](http://www.mtnonprofit.org/filenow.aspx) to determine your status.

Many small nonprofits may not be aware of this new rule, so please help MNA spread the word. Nonprofits that have questions or concerns are encouraged to contact MNA at 406-449-3717.

**About MNA:** Founded in 2001, the Montana Nonprofit Association (MNA) is a membership organization that promotes a stronger nonprofit sector in Montana. MNA achieves its mission through advocacy and public policy, access to affordable products and services, organizational development and training, research and information sharing, and network building. Representing the richness and diversity of Montana’s charitable nonprofit community, MNA’s over 500 nonprofit members address a broad array of missions, come from all four corners of the state and everywhere in between, and range in size from the smallest all-volunteer nonprofits to the largest organizations in Montana. We are many missions with one voice. For more information about MNA, visit [www.mtnonprofit.org](http://www.mtnonprofit.org).

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