Registering as a US 501(c)(3) organization is a burdensome process. Opening a Friends Fund with CAF America is not only a more cost-effective option — it is much simpler process, guided by our staff of dedicated professionals.

US 501(C)(3) “FRIENDS OF” ORGANIZATION REGISTRATION PROCESS

- Register your new organization in a US jurisdiction, which includes:
  A) Recruiting and naming a minimum 3-person Board of Directors for the organization
  B) Get legal advice to create the organization’s bylaws and file Articles of Incorporation
- Fill out IRS Form SS-4 to apply for your EIN number
- Apply for tax-exempt status using Form 1023, which involves:
  A) Drafting an Organizational Narrative that makes a compelling case for your organization to receive the tax exempt status under Section 501(c)(3) of the tax code
  B) Hiring legal advisors to ensure that Form 1023 is filled out correctly and increase the chances of a favorable ruling from the IRS
  C) Ensuring that your submission to the IRS addresses the “conduit issue”, wherein a “Friends of” Organization must be seen as sufficiently independent from the foreign entity and it must have sole discretion over any donations it receives from US donors
- Receive 501(c)(3) determination letter (often after months of waiting)
- Register to legally receive donations in each state in which your organization will be soliciting donations. Approximately 40 US states currently require some form of registration
- Receive first tax-exempt donation, issue tax-receipt

CAF America can expedite charitable donations to more than 1.8 million organizations in 120 countries around the globe

US 501(C)(3) “FRIENDS OF” ORGANIZATION    CAF AMERICA FRIENDS FUND

<table>
<thead>
<tr>
<th>Incorporation as a US Entity</th>
<th>Required</th>
<th>Not Required</th>
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<tbody>
<tr>
<td>Form 1023 for IRS Registration</td>
<td>Required</td>
<td>Not Required</td>
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<tr>
<td>Staff and independent Board of Directors of at least 3 people</td>
<td>Required</td>
<td>Not Required</td>
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<tr>
<td>Legal mechanisms to ensure independent status (address the conduit issue)</td>
<td>Required</td>
<td>Included</td>
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<tr>
<td>Yearly Form 990 Submission</td>
<td>Required</td>
<td>Not Required</td>
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<tr>
<td>Apply for state-by-state Registration for Gift Solicitation (required in approximately 40 US states)</td>
<td>Required</td>
<td>Included</td>
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<tr>
<td>Provide tax receipts to US taxpayers</td>
<td>Required</td>
<td>Included</td>
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*(Depending on legal costs, the annual cost can run from $15,000+ for registration. This doesn’t include the state registration fees, which can be another $2,700 to $3,000, plus administrative costs.) **($2,500 thereafter) plus transaction charges.

CAF AMERICA FRIENDS FUND REGISTRATION

1. Fill out CAF America’s Grant Eligibility Application
2. Pay initial setup costs: $1,000 plus $2,500 annual fee
3. Receive first tax-exempt donation after organization has passed CAF America’s validation process

QUESTIONS?
To learn more about CAF America’s bespoke services, contact us at info@cafamerica.org or call our office at +1 202-793-2232.