

Non-profit organizations

What can you tell me about what a non-profit organization is?

A non-profit organization in the United States is some kind of an institution, group, or society that is legally registered as being a “business” that is not incorporated for making profit. The most common forms of non-profit organizations that we see are churches or synagogues, charities, orphanages, social missions, and various schools and educational groups. Being made a registered non-profit organization means that an institution is exempted from various forms of taxes and can allow contributions to be tax-deductible, as the organization is presumably offering a “social service” for human betterment. Most, if not all of what the non-profit organization offers must be provided without charge. This is unlike a for-profit business which will often never offer its clients any kind of special benefits or free services.

Contrary to popular opinion, non-profit organizations do have to file tax returns, report their earnings, and their financial records are available for public scrutiny. This does not mean that there are not abuses among non-profit organizations that function as though they are for-profit businesses. One watchdog organization, **www.guidestar.org**, provides access to the filed tax returns of various non-profit organizations for you to consider how they use funds and contributions they are given.