

MARTIAL ARTS



Scholarship Fund

Become your own 501(c)(3) Entity

As an alternative to being an affiliate partner of MASF, a member school can automatically become their own 501(c)(3) by joining under MASF as part of our group exemption. This gives you complete control over the funds raised for your martial arts school. Entering under our group exemption, you can immediately enjoy all of the benefits of a 501(c)(3) entity without the hassle of applying to the IRS. However, the process of applying as your own 501(c)(3) is expensive and time-consuming. The time for IRS approval can be longer than six months, and costs can exceed \$3,000 or more for the application process.

Additionally, annual compliance costs for filing tax returns can be \$2,000 or more. By combining with our group exemption, you can eliminate these costs. For a one-time payment of only \$450, you can have your own scholarship entity up and running in less than two weeks. Plus, you have no annual compliance costs. The only requirement is completing a yearly report that is one page and allows MASF to include your entity information in our annual filings. The yearly fees of \$125 are waived for the first year when you join as an entity under our group exemption.

In addition to the ease of entry, the ability to have a 501(c)(3) entity has numerous other advantages to you in your martial arts business. This includes the ability to manage your tax liabilities through the proper management of your entity. Public charities pay no income tax or sales taxes. These advantages can add thousands of dollars of tax savings per year. Also, there are other advantages to having your own 501(c)(3) entity that extends beyond tax. Creating endowment funds through your entity can ensure a steady stream of income to your business that can smooth out the ups and downs of the business cycle. Again, all income is tax-free as long as it stays inside your entity. Talk to your tax advisor about the advantages of tax-free income.

Call today with any questions about entering under our group exemption. The advantages your company will gain will more than cover the costs of joining.