

How to Start a Chamber of Commerce

A chamber of commerce is categorized under [501\(c\) \(6\) organizations according to IRS](#) guidelines. A 501(c) (6) is a tax-exempt, non-profit organization. To be considered a 501(c) (6) organization all entities are obligated to: be a non-profit organization; have strong membership support; have a common business interest to promote; and be dedicated to the improvement of business conditions.

How do I file to be a 501(c) (6) organization?

- The first step a prospective chamber should take is to have an explicit purpose for the formation of the organization. To comply with IRS guidelines, it's important to note that the focus of a 501(c) (6) organization is to help promote a common business interest. This is also the best time to establish the name of the organization.
- The next step is to secure a membership base. Under IRS regulations, 501(c) (6) organizations are required to have a supportive membership base. This would be the best time to start hosting networking events to seek potential members.
- Afterwards, the organization should obtain an [Article of Incorporation](#) form, from the secretary of state office or website. The article of incorporation consists of information about the organization's cause, name, members, stocks, shares, and directors. When the form is completed it is to be returned to the secretary of state office along with any filing fee which varies by state. Keep a copy of the article of incorporation on file.
- Once the Article of Incorporation is filed, the prospective chamber should apply for an [EIN](#) (employer identification number). Without an EIN the prospective chamber will not be able to proceed with the further necessary steps. To obtain an EIN a [SS-4 form](#) must be filed with the IRS; this form can be found on the IRS website.
- Once those steps are completed, the chamber of commerce should take the initiative to begin drafting bylaws for the organization. Bylaws serve as a guide on how procedures are to be carried out. [Bylaws](#) are rules, they specify: what you can do and what you cannot do. When a question arises in the organization, you turn to the guide book. It's important that you have legal or professional help while drafting these seeing as rhetoric must be precise and unambiguous.



- Once these steps are completed, it's time to fill out the [1024 IRS form](#). The 1024 asks for detailed information about: the organizations activities; present and future funding; the names of all officers and directors; ties to other organizations; financial data; and the services provided for members. When submitting form 1024, [form 8718](#) and the appropriate fee must be submitted along with it. Form 8718 is the User Fee for Exempt Organization Determination
- After those steps are seen through, the new established chamber of commerce must make sure to file [form 990](#) on a year to year basis. Form 990 is due on the 15th day of the 5th month after the end of the organizations taxable year. Failure to file this form may result in fees and/or loss of exemption status. Letter Request.