

Friday, Sept. 14, 2012
FOR IMMEDIATE RELEASE

IRS Awards 501(c)3 Status to San Francisco Public Press

After 32-month wait, independent ad-free newspaper finally receives charitable status, paving way for several similar nonprofit news startups

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SAN FRANCISCO — After more than two and a half years, the IRS has awarded 501(c)3 nonprofit status to the San Francisco Public Press, a nonprofit, noncommercial local news organization that publishes in-depth public-interest news daily online at sfpublicpress.org and quarterly in a print newspaper.

The ruling allows the Public Press to directly accept tax-deductible donations from individuals, and elevates the organization to the same legal status as NPR, the Associated Press and the Center for Investigative Reporting, among many others. Importantly, it enables the startup news organization to solicit more significant grants from foundations — many of which say they are more comfortable funding 501(c)3's. Since its founding in 2009, the Public Press has operated as a fiscally sponsored project of another 501(c)3 nonprofit organization.

The Public Press, described by the Investigative News Network as “the poster child for nonprofit news projects deserving charitable status,” is funded by small grants from about a dozen foundations and more than 200 individual members. While it pays its reporters and photographers, it is largely volunteer-run, and like many magazines and noncommercial radio stations does not accept advertising, in order to maintain editorial independence.

The eighth edition of the newspaper, featuring a team report detailing San Francisco's inconsistent efforts to battle domestic violence, will be published on Sept. 18.

“We are thrilled to have received this positive determination from the IRS,” said Michael Stoll, executive director of the San Francisco Public Press. “It will allow the Public Press to pursue larger grants and other opportunities restricted to nonprofits with 501(c)3 status.”

The Public Press first submitted an application to the IRS in January 2010. Nonprofit professionals say that the application processing typically takes between two and 12 months. After more than a year of delay, in early 2011 the organization sought help from the Digital Media Law Project at the Berkman Center for Internet & Society at Harvard, and from the Investigative News Network, a nonprofit organization representing more than 60 nonprofit news producers around the country.

“It is reassuring that the IRS has finally recognized the critical educational function that the San Francisco Public Press serves,” said Jeff Hermes, director of the Digital Media Law Project, which provided pro bono legal assistance. “Hopefully, the Public Press has now paved the way for other journalism organizations to receive their federal tax exemptions more quickly.”

While the IRS does not comment on pending cases, agents working on the case have confirmed that “several” other projects are still in nonprofit limbo, including The Lens, an award-winning investigative online publication in New Orleans that has been waiting 23 months for a 501(c)3 determination. Both organizations have been supported by Kevin Davis, CEO and executive director of the Investigative News Network.

“The San Francisco Public Press is 100 percent focused on the mission to inform and educate the community in order to foster a vibrant democracy,” Davis said. “We hope that this is the start of a phase where the IRS not only grants 501(c)3 status to the other equally qualified organizations that have been waiting patiently for their turn, but

also brings clarity to the process so new organizations can help fill the gap left by commercial media.”

The Public Press gained national attention for its fight for recognition by the IRS from many publications and broadcasters:

“Dan Rather Reports” — Season 7, Episode 7 (April 2012), second segment

<http://itunes.apple.com/us/tv-season/dan-rather-reports-season-7/id485436827> (\$2 download for whole hour-long program including 14-minute segment)

(see a short cut here: <http://sfpublicpress.org/blog/2012-06/public-press-on-dan-rather-reports>)

The Chronicle of Philanthropy

http://philanthropy.com/article/Nonprofit-News-Groups-Face/129398/?sid=pt&utm_source=pt&utm_medium=en

Columbia Journalism Review

http://www.cjr.org/the_audit/nonprofit_news_and_the_tax_man.php?page=all

American Journalism Review

<http://www.ajr.org/Article.asp?id=5167>

Save the News

<http://www.freepress.net/blog/11/10/17/nonprofits-hit-trouble-irs>

Yes Magazine

<http://www.yesmagazine.org/people-power/no-news-is-bad-news-for-nonprofit-journalism>

Poynter.org

<http://www.poynter.org/latest-news/top-stories/164759/irs-delays-make-it-hard-for-nonprofit-news-sites-to-build-their-businesses/>

Nieman Journalism Lab

<http://www.niemanlab.org/2012/03/passing-the-nonprofit-test-a-guide-for-nonprofit-news-outlets-on-how-to-get-501c3-status/>

The Nonprofit Times

<http://www.thenonprofittimes.com/article/detail/backlog-precedent-stall-tax-exempt-status-of-news-groups-4150>

Inside Counsel

<http://www.insidecounsel.com/2012/01/01/irss-inaction-on-granting-tax-exemption-status-has>

Current.org

<http://www.current.org/wp-content/themes/current/archive-site/federal/fed1209nonprofit-journalism.html>

Knight Blog

<http://www.knightfoundation.org/blogs/knightblog/2012/5/3/do-irs-nonprofit-media-rules-need-digital-age-update/>

Taxanalysts.com

Some News Organizations in Limbo as IRS Consolidates Review of Exemption Applications (search under News Stories)