

Welcome to the newsletter for homeschool group leaders
November 2008

Homeschool Leader

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- Article on 501c3 Status for your homeschool group
- Blog Entries on
 - cash surplus
 - volunteers
 - nonprofit status for a family homeschool

When to Become a 501c3?

By Carol L. Topp, CPA

HomeschoolCPA is frequently asked,

“When does my homeschool organization need to file for 501c3 status?”

or a similar question,

“At what dollar amount do we need to file with the IRS?”

The IRS allows a small nonprofit organization the benefits of tax exemption without filing the Form 1023 if their annual gross revenue is normally not more than \$5,000. (See Instructions for IRS Form 1023, page 1). \$5,000 is a pretty small organization; it doesn't take much to bring in \$5,000 a year. Note that the measure is *gross* revenue, meaning all your revenue, not just your profit.

So what should you do when your organization starts bringing in more than \$5,000 a year?

If your organization has gross revenue of more than \$5,000 annually, there are four options:

1. File form 1023 with the IRS and become a tax exempt 501c3 "qualified charity" (but get help!)
2. File for another type of tax exempt status with the IRS, such as 501c4, a social welfare organization
3. Reorganize your group to stay small (i.e. gross income under \$5,000 per year)
4. Pay income taxes

Since option 4, paying income tax, doesn't sound like fun, you should read the rest of the article by clicking [here](#).

To read more about 501c3 status for homeschool groups, visit my website www.HomeschoolCPA.com and go to the Articles page.

Or go directly to these articles:

[Do we need 501c3 status?](#)

[Are you ready for 501c3 Application?](#)

My blog,
[HomeschoolCPA blog](#)
has a new home at Wordpress.

I hear from homeschool leaders across the country and I get asked a lot of questions, so I have refocused my blog to be a question and answer blog for homeschool leaders. Each entry is a question from a homeschool leader like you and covers topics such as nonprofit organizations, leadership and finances. Some recent entries include:

[What to do with a surplus of cash?](#)

[Rewarding Volunteers](#)

[Can my family homeschool be a nonprofit?](#)

This is a monthly newsletter written by Carol Topp, CPA for homeschool group leaders. Please pass it along to other homeschool leaders. Thanks for reading!