



National Microschooling Center  
IRS Form 1023 Worksheet

Form 1023 is the Internal Revenue Service standard form for tax-exempt non-profit organizations, including schools. In other words, completing Form 1023 is the first step towards achieving both tax exemption (your school does not pay taxes on its income like a standard for-profit corporation) and tax deductibility (your donors can deduct from their income the money they give you).

You file Form 1023 online at <https://www.irs.gov/forms-pubs/about-form-1023>. You can find a PDF version of Form 1023 online at <https://www.irs.gov/pub/irs-pdf/f1023.pdf>. The purpose of this worksheet is to help microschool founders and board members think through the materials they need to pull together and the questions they need to answer before beginning the form.

*Note: if you anticipate annual revenues of less than \$50,000, you may be a candidate for the 1023EZ form instead, which likely simplifies and expedites this process substantially.*

Organization's name, address, main point of contact:

Federal Employer Identification Number (often called an EIN – think of it like a social security number for an organization) (apply at <https://sa.www4.irs.gov/modiein/individual/index.jsp>):

Date and state where the organization is incorporated:

Type of corporation (most charitable microschools will be non-profit corporations, but your school may not be) (be prepared to attach articles of incorporation and bylaws):

Names, affiliations, and address of proposed officers, and whether they will be paid:

Do you have a conflict of interest policy for your officers and employees? Are any of your officers and employees related or married to one another?

Attach a one-page description of the activities of your proposed organization in your first 3-5 years. Include any significant focus of expenditures, hiring, usage of space, expected sources of revenue, states where you plan to conduct activities.

If you plan to operate a school, attach a description of your plans, list curriculum, ages or levels served and any major contracts you plan to use. Include how employees, contractors and volunteers will be used, and include copies of any draft contracts. Do you expect to operate predominantly with government funds? Is your organization in good standing without receiving any warnings or sanctions from government agencies? Estimate in numbers (not percentages) the racial composition of your students and staff for this year and next.

Are you attached to, affiliated with, or formally sponsored by a church or house of worship? If so, please attach description including statement of faith, description of congregation, leadership and official functions.

Operating budget for current year and estimate for subsequent three years. Be sure to include line items, estimated as best you can, for: rent, utilities, salaries, independent contractors, professional services, significant expense categories related to your program. Also think through how you are going to raise these funds—from tuition, but also from donations? If donations, how do you plan to solicit those donations?

List your organization's current assets, liabilities, loans, etc. (with value of each).

Do you plan to use any independent contractors? If so, please describe their activities and estimated compensation.

Will your organization be a successor to any other organization, absorbing its assets?

Do you expect your organization to be involved with any loans? To work closely with any other organization?

*Finally, many microschools will probably choose to file for charitable status as schools. If so, you will be asked to complete Form 1023 Schedule B, which asks questions specific to schools. Much of it will repeat what you've decided above, but there are some issues particular to Schedule B.*

Do you have in place, or are you willing to adopt, policies for racial nondiscrimination?

Do you plan to have scholarships or other grants to assist students with the costs of tuition, and if so, how will those funds be allocated?