Starting a Small Nonprofit: A Guide to IRS Form 1023-EZ

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MANAGING ATTORNEY, NONPROFIT & SMALL BUSINESS LEGAL ASSISTANCE PROGRAMS, D.C. BAR PRO BONO CENTER

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We sponsor trainings, webinars, and multi-session courses on important, real-world legal issues facing nonprofits.

We host virtual & in-person legal clinics to address specific issues (e.g. governance policies, risk management, intellectual property)

We provide written resources and archived training sessions on our website: [https://www.lawhelp.org/dc/npsb](https://www.lawhelp.org/dc/npsb)

We match nonprofit organizations with pro bono legal counsel for larger legal projects
D.C. Bar Pro Bono Center – About Us

➢ “Starting a Nonprofit” Resource Collection: https://www.lawhelp.org/dc/resource/starting-a-nonprofit
  ◦ A-Z guide on starting a nonprofit in DC
  ◦ Additional webinars and resources in fiscal sponsorships, governance policies, bylaws, etc.
Background: Nonprofit Formation Process
The focus of today’s training will be on 501(c)(3) public charities, a specific type of nonprofit organization

- Public charities include arts, culture, environmental, and humanities organizations; educational organizations; health care organizations; human services organizations; and others
- The “classic” nonprofit – public charities account for over 2/3 of all registered nonprofits
- 501(c)(3) public charities enjoy unique tax and operational benefits, but are also restricted in how they can use their money and resources – all spending must support the nonprofit’s charitable mission and activities, and have some operational limits (e.g. no election intervention)

There are over 30 other types of tax-exempt nonprofit organizations including private foundations, chambers of commerce, fraternal organizations, and civic leagues – special rules apply to each, and are not the focus of today’s session
Benefits of 501(c)(3) Status

- **Mission First**: Nonprofits are required to pursue their tax-exempt mission no legal imperative to generate revenue or satisfy shareholders; staff & board members are generally passionate, driven, mission aligned

- **Tax Exempt**: Nonprofits are generally exempt from paying franchise/income, sales, use, property, and other state, federal, and local taxes

- **Donations Deductible**: Donations to 501(c)(3) orgs are deductible for donors that itemize/deduct on taxes, creating $$$ incentive – unique to (c)(3) charities

- **Dedicated Funding Sources**: 501(c)(3)s are exclusively eligible for certain government grants, government contracts, grants from private foundations, grants from other public charities, and for-profit corporate sources

- **Limited Liability**: Nonprofits are independent legal entities and enjoy unique statutory protection from liability; individual leaders are shielded from significant liability/risk

- **The 501(c)(3) Brand**: Donors/the public recognize the 501(c)(3) “brand”; transparency and accountability mechanisms increase trust and likelihood of support
The 501(c)(3) Formation Process

1. Recruit Incorporators & Board of Directors
2. Incorporate Nonprofit Corporation
3. Adopt Bylaws & Governance Policies
4. Apply for EIN from IRS
5. **Apply for 501(c)(3) Status with IRS (Form 1023)**
6. Complete Additional State/Local Registrations
   - Tax; Charitable Solicitation/Business Licensing; etc.
Without filing Form 1023/getting (c)(3) status, all you have is a state or District-registered nonprofit corporation

- Technically possible to fundraise, open a bank account, hire staff, start conducting activities, etc.
- But you are not tax-exempt and donors cannot seek a tax deduction for their gifts; you will also not qualify for most nonprofit-specific funding opportunities
- Exception: very small orgs (under $5000 annual receipts), churches, and church auxiliaries/conferences can operate as 501(c)(3)s without filing Form 1023

NB – once approved, your (c)(3) status is retroactive to your date of incorporation; any money you raise/receive in the interim will become tax exempt (up to 27 months)
1023-EZ vs. 1023 Standard: Background & Eligibility Rules
Nonprofits have two filing options when applying for 501(c)(3) status:

- **Form 1023-EZ**: A “streamlined” form for smaller applicants, as determined by receipts and assets
- **Form 1023**: The standard form for all applicants, including those that do not qualify for the streamlined application
## EZ vs. Standard: Comparison

<table>
<thead>
<tr>
<th></th>
<th>Form 1023-EZ</th>
<th>Form 1023 Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length/Time</td>
<td>3 pages / ~19 hours</td>
<td>40 pages / &gt; 100 hours</td>
</tr>
<tr>
<td>Complexity</td>
<td>Low – “check the box” questions</td>
<td>High – narrative descriptions, $$$ projections, attachments</td>
</tr>
<tr>
<td>Cost</td>
<td>$275</td>
<td>$600</td>
</tr>
<tr>
<td>Processing Time</td>
<td>~ 2-3 months</td>
<td>&gt; 10 months</td>
</tr>
</tbody>
</table>
Anyone using the EZ form must complete an “eligibility worksheet” before proceeding to the actual form.

Key EZ eligibility rules are:

- Under $50,000 in gross receipts for this year and the next two years (projected)
  - “Gross receipts” = $$$ from all sources during fiscal year, without subtracting any costs or expenses
- Under $50,000 in gross receipts for the last three years, if any (actual)
- Under $250,000 in current assets
  - “Assets” = cash, accounts receivable, inventories, bonds and notes receivable, corporate stocks, loans receivable, other investments, depreciable and depletable assets, land, buildings, equipment, and any other assets
- Cannot be a foreign organization, LLC, successor to a for-profit entity, supporting organization, private operating foundation, or other unusual entity type
- Cannot be a church, school/university, hospital, credit counselling org, or certain other activity areas
- Cannot maintain/plan to maintain donor-advised funds
Form 1023-EZ: Eligibility to File

➢ Nobody has a crystal ball, but <$50,000 projection must be reasonable and made in good faith
   • Cannot actually be over $50,000 or know of incoming receipts that could put you close/over
     o Promised donations? Outstanding grant applications?
     o Look at your actual fundraising trends so far and project growth out over 3 years
     o NB – Form 1023 is filed under penalty of perjury!
   • Must pass the “sniff test” – can you reasonably operate your org and pursue your mission in years 1-3 while staying under $50,000?
     o Does your org need paid staff, equipment, facilities, etc. over $50,000 to operate? Or can it potentially operate on a volunteer/extremely cash-limited basis?

➢ No automatic penalty if you do go over $50,000 in the future
   • You’ll file Form 990 annually after receiving (c)(3) status which notifies IRS of financial situation; IRS takes no action in almost all cases
   • IRS could theoretically ask for an explanation, revoke your (c)(3) determination, or pursue other actions/penalties, especially if it sees evidence of fraud or a material misstatement on your 1023
Form 1023-EZ: History & Discussion

➢ Form 1023-EZ introduced July 2014 as the IRS was facing processing backlogs and budget cuts – way to reduce workload
  • Agency receives over 95,000 nonprofit applications every year!

➢ Today, over 70% of applicants use Form 1023-EZ and the approval rate is close to 100%

➢ The EZ form has received sustained criticism for:
  • failing to provide the IRS with enough information to make informed approvals; and
  • failing to provide applicants with enough information/structure re: governance, financial planning, and legal compliance to fully prepare them for 501(c)(3) demands
Even if eligible, applicants might choose to file the standard Form 1023 instead of the EZ version because:

- Value the opportunity to learn about governance and compliance requirements by completing the full form;
- Value more rigorous vetting; IRS “error rate” for EZ approvals has been observed between 26%-42%, so no assurance that your organization is actually properly organized/operated; want to “do it right” and avoid problems down the line
- Want a full application to show potential donors, grant-makers, etc. instead of perceived “shortcut”; 1023 can be requested by anyone, including the public at large
- Don’t want to worry about consequences of “flipping” over $50,000 threshold
Anatomy of Form 1023-EZ
Anatomy of Form 1023-EZ

- [Instructions – Separate Document]
- Part I - Eligibility Requirements and Identification of Applicant
- Part II - Organizational Structure
- Part III - Your Specific Activities
- Part IV - Foundation Classification
- Part V - Reinstatement After Automatic Revocation
- Part VI - Signature
Part I - Eligibility Requirements and Identification of Applicant (See Instructions)

☑ Check this box to attest that you have completed the Form 1023-EZ Eligibility Worksheet in the current instructions, are eligible to apply for exemption using Form 1023-EZ, and have read and understand the requirements to be exempt under section 501(c)(3).

Have your annual gross receipts exceeded $50,000 in any of the past 3 years and/or do you project that your annual gross receipts will exceed $50,000 in any of the next 3 years? If yes, stop. Do not file Form 1023-EZ. See Instructions.

☐ Yes
☐ No

Do you have total assets the fair market value of which is in excess of $250,000? If yes, stop. Do not file Form 1023-EZ. See Instructions.

☐ Yes
☐ No
Anatomy of Form 1023-EZ:
Part I - Eligibility Requirements & Identification of Applicant

1a. Full Name of Organization *
DC BAR PRO BONO CENTER

1b. Care Of Name (if applicable)

1c. Address (number, street, and room/suite). If a P.O. box, see instructions.
901 4TH ST NW

1d. City *
WASHINGTON

1e. State *
District Of Columbia

1f. Zip Code + 4 *
20001

2. Employer Identification Number *
52-1574217

3. Month Tax Year Ends *
DECEMBER

4. Person to Contact if More Information is Needed *
JANE DOE - DIRECTOR

5. Contact Telephone Number *
202-638-4290

6. Fax Number (optional)

7. User Fee Submitted *
$275.00
Anatomy of Form 1023-EZ:
Part I - Eligibility Requirements & Identification of Applicant

8. List the names, titles, and mailing addresses of your officers, directors, and/or trustees. (If you have more than five, see instructions.)
Select the number of officers, directors, and/or trustees. *

1

Officer, Director, or Trustee 1

First Name *

Last Name *

Title *

JANE

DOE

DIRECTOR

Street Address *

City *

State *

Zip code + 4 *

901 4TH ST NW

WASHINGTON

District Of Columbia

20001

9a. Organization's Website (if available) *

HTTPS://WWW.DCBAR.ORG/PRO-BONO

9b. Organization's Email (optional) *

Next
In this section:

- Ensure that your Full Name in Line 1 matches your Articles of Incorporation exactly
- Check your bylaws to see if they already set your Fiscal Year for Line 3; remember what you answer for this question, since it affects when you submit your annual filings going forward
- When providing contact information for your officers & directors in Line 8, you can use the organization’s mailing address instead of their individual home addresses
  - Definitions: “Directors” are voting members of your board; “Officers” are individuals with special management responsibilities (e.g. President, Secretary, Treasurer)
  - Common in startups for these roles to overlap
  - Check your Bylaws for a list of officers in your organization
Anatomy of Form 1023-EZ:
Part II - Organizational Structure

Part II - Organizational Structure (See Instructions)

1. To file this form, you must be a corporation, an unincorporated association, or a trust. Select the box for the type of organization. *
   - Corporation
   - Unincorporated association
   - Trust

2. Check this box to attest that you have the organizing document necessary for the organizational structure indicated above. (See the instructions for an explanation of necessary organizing documents.) *

3. Date incorporated if a corporation, or formed if other than a corporation (MMDDYYYY) *
   - 05041988

4. State of Incorporation or other formation *
   - District Of Columbia
5. Section 501(c)(3) requires that your organizing document must limit your purposes to one or more exempt purposes within section 501(c)(3).

- Check this box to attest that your organizing document contains this limitation.

6. Section 501(c)(3) requires that your organizing document must not expressly empower you to engage, otherwise than as an insubstantial part of your activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

- Check this box to attest that your organizing document does not expressly empower you to engage, otherwise than as an insubstantial part of your activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

7. Section 501(c)(3) requires that your organizing document must provide that upon dissolution, your remaining assets be used exclusively for section 501(c)(3) exempt purposes. Depending on your entity type and the state in which you are formed, this requirement may be satisfied by operation of state law.

- Check this box to attest that your organizing document contains the dissolution provision required under section 501(c)(3) or that you do not need an express dissolution provision in your organizing document because you rely on the operation of state law in the state in which you are formed for your dissolution provision.
In this section:

• Section II asks if you have Articles of Incorporation and if your articles/bylaws include specific language required of all 501(c)(3) organizations

• Many startups do not include the IRS-required language when filing their Articles of Incorporation
  - For example, D.C. does not require you to include the IRS-required language when filing Form DNP-1 – nonprofits need to think ahead and include the language proactively

• Check your Articles to make sure that they include an exempt purpose limitation clause and a dissolution clause

• If your Articles do not include the required language, amend and refile them with your incorporating agency before submitting the 1023 application
Exempt purpose clause:

“ARTICLE [XXXX]: The purposes for which the Corporation is organized are as follows:

A. Insert nonprofit’s specific charitable purposes]; and

B. To engage in any other religious, charitable, scientific or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or corresponding section of any future federal tax code (the “Code”), and regulations thereunder.”
**Limitation to 501(c)(3) activities clause:**

“ARTICLE [XXXX]: The internal affairs of the Corporation shall be regulated by the Bylaws, and the Board of Directors shall supervise the management of the business and affairs of the Corporation in accordance with the Bylaws:

A. This Corporation shall not directly or indirectly engage in any activity:
   1. That will prevent this Corporation from qualifying (and continuing to qualify) as a corporation described in Section 501(c)(3) of the Code and regulations thereunder, or
   2. Which is prohibited by an organization that contributions to which are deductible under Section 170(c)(2) of the Code and regulations thereunder.

B. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article SECOND hereof.

C. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office...
Dissolution Clause:

“ARTICLE [XXXX]: Upon the dissolution of the Corporation, the assets of the Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.”
**Anatomy of Form 1023-EZ: Part III - Your Specific Activities**

1. Briefly describe the organization's mission or most significant activities (limit 250 characters) *

   The D.C. Bar Pro Bono Center transforms lives by providing free legal assistance to individuals, nonprofit organizations and small businesses through volunteer lawyers by operating legal clinics, projects, and resource centers.

   [23 characters remaining]

2. Enter the appropriate 3-character NTEE Code that best describes your activities (See the instructions) *

   S41

3. To qualify for exemption as a section 501(c)(3) organization, you must be organized and operated exclusively to further one or more of the following purposes. By checking the box or boxes below, you attest that you are organized and operated exclusively to further the purposes indicated. Check all that apply. *

   - [ ] Charitable
   - [ ] Religious
   - [x] Educational
   - [ ] Scientific
   - [ ] Literary
   - [ ] Testing for public safety
   - [ ] To foster national or international amateur sports competition
   - [ ] Prevention of cruelty to children or animals
Anatomy of Form 1023-EZ:

Part III - Your Specific Activities

In this section:

• Ensure that your purpose description in Line 1 matches the specific purpose in your Articles of Incorporation

• In Line 3, “Charitable” and/or “Educational” are the most common and broadest options:
  • “Charitable”: “The generally accepted legal definition of “charitable” includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.”
  • “Educational”: “The term “educational,” as used in section 501(c)(3), relates to: (a) The instruction or training of the individual for the purpose of improving or developing his or her capabilities, or (b) The instruction of the public on subjects useful to the individual and beneficial to the community. An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion. An organization is not educational if its principal function is the mere presentation of unsupported opinion.”
  • See the Instructions for descriptions of other categories
In this section:

- NTEE codes are developed by a third-party organization (National Center for Charitable Statistics); used by some funders and online databases (e.g. Guidestar)
  - No “right” answer – look through the NTEE list and find a code that best fits your org’s activities
  - Start with the best top-level categories and work down to find possible matches:
    - Arts, Culture, and Humanities – A
    - Education – B
    - Environment and Animals – C, D
    - Health/Mental Health/Medical – E, F, G, H
    - Human Services – I, J, K, L, M, N, O, P
    - International, Foreign Affairs – Q
    - Religion Related – X
    - Mutual/Membership Benefit – Y
    - Unknown, Unclassified – Z

- List of NTEE codes can be found in the Instructions or online at https://nccs.urban.org/publication/irs-activity-codes
Anatomy of Form 1023-EZ:

Part III - Your Specific Activities
4. To qualify for exemption as a section 501(c)(3) organization, you must:

- Refrain from supporting or opposing candidates in political campaigns in any way.
- Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals (that is, board members, officers, key management employees, or other insiders).
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially.
- Not be organized or operated for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s).
- Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in section 501(h).
- Not provide commercial-type insurance as a substantial part of your activities.

☑ Check this box to attest that you have not conducted and will not conduct activities that violate these prohibitions and restrictions.

➢ Every point in Line 4 refers to a complex set of legal rules re: how 501(c)(3)s are allowed to operate
   • For resources, see [https://www.lawhelp.org/dc/resource/irs-compliance](https://www.lawhelp.org/dc/resource/irs-compliance)

➢ Before checking “yes”, read the Instructions and follow up any questions or concerns you have re: this attestation
   • Avoid starting a 501(c)(3) only to find out later that you cannot conduct your planned activities
Questions 5-12 ask about specific high-risk activities; no “wrong” answer, but answering Yes may result in follow-up questions

- For example, answering Yes to 7 or 8 may mean submitting additional information on how your grants program is structured

- Line 6: If you plan on paying your founder/another individual as staff (e.g. Executive Director) while they remain an officer/director on your Board, check Yes to this question – not prohibited, but raises conflict of interest concerns
Anatomy of Form 1023-EZ:

Part III - Your Specific Activities

- **Line 9:** Answer Yes if, for example, a director owns a side business that will be a vendor to your nonprofit
- **Line 10:** Unrelated Business Income is income from a trade or business that your nonprofit conducts which doesn’t directly advance your mission; for example, raising money by selling branded merchandise would probably generate Unrelated Business Income
In this section:

• 501(c)(3) organizations come in two flavors: public charities and private foundations

• The key difference is source of income – public charities receive a significant amount of “public support” while private foundations are often funded/endowed by a single benefactor, business, family, or other small group
  o Many PFs disburse grants to other entities; others operate their own programs directly

• Most EZ applicants intend to form a public charity – PFs are subject to additional reporting & accountability requirements and are not eligible for many funding opportunities

Anatomy of Form 1023-EZ:

Part IV - Foundation Classification

<table>
<thead>
<tr>
<th></th>
<th>Public Charity</th>
<th>Private Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support?</td>
<td>Yes, required</td>
<td>Not required</td>
</tr>
<tr>
<td>Gift Deductibility</td>
<td>Higher – up to 60% AGI</td>
<td>Lower – 30% of AGI</td>
</tr>
<tr>
<td>Minimum asset Dist?</td>
<td>None</td>
<td>Yes – 5% for non-op PFs</td>
</tr>
<tr>
<td>Investments Taxed?</td>
<td>No</td>
<td>Yes, marginally</td>
</tr>
<tr>
<td>Annual Report</td>
<td>Simpler 990s for small orgs</td>
<td>990-PF for all orgs</td>
</tr>
<tr>
<td>Board diversity?</td>
<td>Yes – majority “unrelated”</td>
<td>No – can all be related</td>
</tr>
</tbody>
</table>
To be classified as a public charity, you need to meet one of two tests:

- **509(a)(1) Test**: At least one third of your support will come from “public sources” including small individual donors, government sources, or other public charities
  - Small donors are donors that give up to 2% of your total receipts – for donors that give more, the amount over 2% is discounted for purposes of meeting the one-third threshold
  - Contributions from government or other charities do not have the 2% limit
  - Even if you can’t hit the 33.33% threshold, there’s a backup test requiring only 10% public support and more subjective “facts and circumstances” analysis

- **509(a)(2) Test**: (1) At least one third of your support will come from either public sources and/or “exempt-activity revenues”, which is money-generating activity that directly advances your mission; and (2) no more than one third of your support will come from a combination of investment revenue and unrelated business income

The majority of applicants will be seeking public charity status under the (a)(1) test

Use a mix of historical actual revenue (if any) and projected revenue over a total 5-year term
1. ABC nonprofit with $50,000 in annual receipts is funded 30% by government grants, 30% by another public charity, 20% by a single major donor, and 20% by small donors.
   - This nonprofit easily passes the (a)(1) public support test because over 80% of its money comes from public sources.
   - The single major donor who gave $10,000 is subject to the 2% threshold ($1000); this means that $9000 of that donor’s gift does not count towards the one-third threshold.

2. ABC nonprofit with $30,000 in annual receipts is 40% funded by a major benefactor, 40% by a private family trust, and 20% funded by small donors.
   - This nonprofit does not automatically pass the (a)(1) public support test because both the major benefactor and the family trust are capped at 2%, or $600. Even with $6000 in other small donations, this nonprofit cannot pass the 1/3 ($10,000) public support threshold.
   - It may be able to satisfy the (a)(1) test using the “facts and circumstances” backup test.

3. ABC Nonprofit Orchestra with $100,000 annual receipts generates 60% of its revenue from ticket sales, 10% from additional small donations, 20% from beverage sales, and 10% from a major benefactor.
   - This nonprofit satisfies the (a)(2) test because over 70% of its revenue comes from a mix of exempt activity revenue and public sources, and its unrelated business income (beverage sales) is under 33.33%.
Anatomy of Form 1023-EZ:

Part IV - Foundation Classification

Part IV is designed to classify you as an organization that is either a private foundation or a public charity. Public charity status is a more favorable tax status than private foundation status.

1. Are you applying for recognition as a church, school, or hospital (described in section 170(b)(1)(A)(i), (ii), or (iii) of the Internal Revenue Code)? If yes, stop. Do not file Form 1023-EZ. See instructions.

   - Yes
   - No

2. If you qualify for public charity status, check the appropriate box (2a - 2c below) and skip to Part V below.
   - a. Select this box to attest that you normally receive at least one-third of your support from public sources or you normally receive at least 10 percent of your support from public sources and you have other characteristics of a publicly supported organization. Sections 509(a)(1) and 170(b)(1)(A)(vi).
   - b. Select this box to attest that you normally receive more than one-third of your support from a combination of gifts, grants, contributions, membership fees, and gross receipts (from permitted sources) from activities related to your exempt functions and normally receive more than one-third of your support from investment income and unrelated business taxable income. Section 509(a)(2).
   - c. Select this box to attest that you are operated for the benefit of a college or university that is owned or operated by a governmental unit. Sections 509(a)(1) and 170(b)(1)(A)(iv).

3. If you are not described in items 2a - 2c above, you are a private foundation. As a private foundation, you are required by section 508(e) to have specific provisions in your organizing document, unless you rely on the operation of state law in the state in which you were formed to meet these requirements. These specific provisions require that you operate to avoid liability for private foundation excise taxes under sections 4941-4945.

   - Select this box to attest that your organizing document contains the provisions required by section 508(e) or that your organizing document does not need to include the provisions required by section 508(e) because you rely on the operation of state law in your particular state to meet the requirements of section 508(e). (See the instructions for explanation of the section 508(e) requirements.)
Anatomy of Form 1023-EZ:

Part V - Reinstatement After Automatic Revocation

Reinstatement After Automatic Revocation

1. Check this box if you are seeking retroactive reinstatement under section 4 of Revenue Procedure 2014-11. By checking this box, you attest that you meet the specified requirements of section 4, that your failure to file was not intentional, and that you have put in place procedures to file required returns or notices in the future. (See the instructions for requirements.)

2. Check this box if you are seeking reinstatement under section 7 of Revenue Procedure 2014-11, effective the date you are filing this application.
Anatomy of Form 1023-EZ:

Part VI - Signature

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, and to the best of my knowledge it is true, correct, and complete.

Type Name of Signer:
JANE DOE

Type title or authority of signer: DIRECTOR

Date: 06302022
Filing Form 1023-EZ
Filing Form 1023-EZ:

Pay.gov Account Creation
Filing Form 1023-EZ: Pay.gov Filing Process

About this form

Eligible organizations file this form to apply for recognition of exemption from federal income tax under Section 501(c)(3). NOTICE: You may experience issues with saving a form and accessing it later. If this occurs, you will need to complete the form again. We apologize for this inconvenience.

Note: You must complete the Form 1023-EZ Eligibility Worksheet in the Instructions for Form 1023-EZ to determine if you are eligible to file Form 1023-EZ. If you are not eligible to file Form 1023-EZ, you must file Form 1023 to obtain recognition of exemption under Section 501(c)(3).

See the Instructions for Form 1023-EZ for help in completing this application. The organization must have an Employer Identification Number (EIN) DO NOT ENTER a Social Security Number (SSN) on the form.

This form requires entering a 3-character National Taxonomy of Exempt Entities (NTEE) Code that best describes your organization’s activities. See the Instructions for Form 1023-EZ beginning on page 21 for a listing of NTEE codes.

You might find the following additional information useful when applying for recognition of tax-exempt status under Section 501(c)(3):

- Publication 557
- Publication 4320
- StayExempt.irs.gov
- Charities & Nonprofits page on IRS.gov

After you submit your application

For information on the status of your application, go to Where’s My Application page on IRS.gov. If you submitted your application before the date indicated in the chart and have not been contacted, you can call the toll-free Customer Account Services number, Monday through Friday, 8 a.m. - 5 p.m. (local time), at (877)-829-5500 to check on the status.

You will need the following information when calling:

- Your name
- Your employer identification number (EIN)

Accepted Payment Methods:

- Bank account (ACH)
- Debit or credit card

Preview Form Cancel

Continue to the Form

This is a secure service provided by United States Department of the Treasury. The information you will enter will remain private. Please review our privacy policy for more information.
Questions?

Special thanks to Jonah Berthelsen for assisting with this presentation.

Jason Qu  
D.C. Bar Pro Bono Center  
901 4th Street NW  
Washington, DC 20001  
jqu@dcbar.org

Resources:  
• Nonprofit resource library – https://www.lawhelp.org/dc/npsb  
• “Starting a Nonprofit” – https://www.lawhelp.org/dc/resource/starting-a-nonprofit  
• “IRS Compliance” – https://www.lawhelp.org/dc/resource/irs-compliance