**Homeschool Co-ops Are Like Marriage! Know What You’re Getting Into!**

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www.HomeschoolCPA.com

**Pros of co-ops:**

Better together in group learning, Shared experience from others, encouragement for homeschool parents and fun!

**Cons of Co-ops:**

Unmet expectations, surrendering control, too much like school, socialization, time and money

**Consider This:** Time | Money | Commitment

**Tips for Starting**

**Start small:** Short trial period of 4-6 weeks.

Try to find a church or other 501c3 to sponsor you for 1-2 years.

**Decide:** Who, What and Where, Cost and Curriculum

**Remember:**

Your co-op cannot be all things to all people-so stop trying

Your co-op is not essential to the success of homeschooling!

Co-op teachers are not responsible for homeschooling other peoples’ children!

**Tools**

Board: Have committees, schedule regular meetings, keep minutes

Budget: Planning with dollars. List your sources of income (fees, fundraisers, donations), expenses and some extra for uncertainties.

Bylaws: rules of how an organization will operate. Usually include a mission statement: We are \_\_\_\_\_ and we do \_\_\_\_\_\_

Policies and guidelines help you to avoid making decisions while in a crisis.

Sample bylaws at HomeschoolCPA.com/leader-tools/sample-documents.

**Knowledge**

Nonprofit status

The IRS and tax exempt status

Fundraisers

Reimbursement policies

Paying workers

**Nonprofit Status and Tax Exempt Status**

You're a nonprofit if you are organized (board and bylaws) and operate like one (no profit motive and no one pockets the money). Nonprofit is not the same as tax exempt though! Nonprofit status is like a married couple. Tax benefits come only after filing the correct tax form (Form 1023 for homeschool coops)

Automatic tax exemption to: groups with annual gross revenues under $5,000, 501(c)(7) Social Clubs (most support groups) or under the ministry of a church.

If you are a nonprofit, you have 4 choices:

1. Stay under $5,000/year
2. 2. Find a church
3. 3. File to be 501(c)(3) educational organization
4. Pay your taxes

**Required annual IRS filing for ALL small nonprofits (under $50,000 annual gross revenues):** Form 990-N due 4 ½ months after end of fiscal year. File online at [http://epostcard.form990.org](http://epostcard.form990.org/). Failure to file for 3 consecutive years results in automatic revocation of tax exempt status (even the automatic tax exempt status). You may owe back taxes and will need to reapply for tax exempt status.

**Paying Workers:** Employee or independent contractor. Must give Form 1099MISC to any independent contractor paid $600 or more in a calendar year.

**Fund raisers:** No individual fund raising accounts. All fund raiser proceeds must stay in general fund.

**Resources at HomeschoolCPA.com.**

*Homeschool Co-ops* book and ebook

*The IRS and Your Homeschool Organization* book and ebook

*Money Management in a Homeschool Organization: A Guide for Treasurers* book and ebook

*Paying Workers in a Homeschool Organization* ebook

*One by One: Homeschool Group Leaders Guide to Motivating Your Members* ebook at HomeschoolGroupLeader.com

Free webinars on paying workers, fundraisers, and 501c3 tax exempt status at: <http://homeschoolcpa.com/bookstore/free-webinars/>

Facebook group: I am a Homeschool Group Leader

My podcast: DollarsAndSenseShow.com has episodes for homeschool leaders.

Consultation by phone, Skype, or Google+ video chat with your leaders. Email Carol@HomeschoolCPA.com