



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

Presenter Carol Topp, CPA

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 or 1023-EZ 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. Find a church or other 501(c)(3) to take you under their tax exempt umbrella (called fiscal sponsorship)
3. File to be 501(c)(3) educational organization with the IRS
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> .

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.

HomeschoolCPA.com [YouTube Channel](#) with helpful videos



Consultation by phone, Skype, or Google+ video chat with your leaders.

Email Carol@HomeschoolCPA.com