

Carol Topp, CPA HomeschoolCPA &
Jamie Buckland
Classical Program Consultant
present

ABCs of an Academic Homeschool Program

Administration, Business, Curriculum: What
you need to know to take the next step
towards organizing an academic program.

**Monday, February 18, 2019
8 pm ET \$30**



Jamie Buckland

Classical Program Consultant
Homeschooled 13 years
Exec Director Appalachian
Classical Academy

- Culture
- Curriculum
- Board
- Employees



Carol Topp, CPA

HomeschoolCPA.com
Homeschooled 14 years
Author 15 books

- Nonprofit status
- Tax exempt Status
- Employee classification
- IRS compliance

Contents



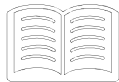
Administration

Culture | Logistics | A Board of Directors and
Advisory Council | Why employ | Train employees
| Assess employees | Tuition | Communication



Business

Nonprofit status | Tax exempt Status | Tax Exempt
Application | Timeline



Curriculum

Curriculum choice | Course offerings | Materials



Business

What Makes My Group a Nonprofit?

Organized

Founding document
Bylaws
Articles of Incorporation

Purpose
Educational



Operate

No profit motive

No owner
Board run

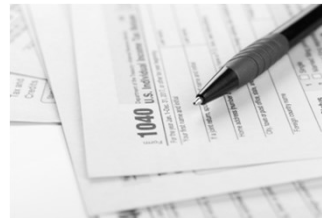


What's Tax Exempt Status?

Nonprofit Inc is not the same as **Tax Exempt**

Granted by State
Legal status
Limited liability protection

Granted by IRS
Tax Status
501c3 charitable, religious or educational purposes



Self Declare 501c3 Tax Exempt Status

- Church (or ministry of a church)
or
- Less than \$5,000 annual revenues
- No need to apply with IRS
- Must still file annual information returns, Form 990-N/990-EZ (except churches)
- No IRS determination letter



Annual IRS Information Returns

Form 990-N
Under \$50,000 annual revenues.
Online, free, 10 minutes



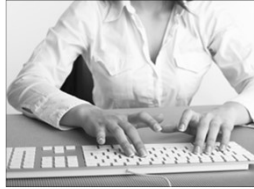
Form 990-EZ
\$50,000-\$200,000 annual revenues.
6 pages.
Professional help ≈ \$400



Form 990
\$200,000+ annual revenues
12+ pages
Professional help \$600+

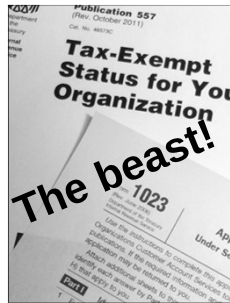


501c3 Tax Exempt Application



Form 1023-EZ if under \$50,000 in annual revenues.

- Online. 3 pages. IRS fee \$275. Professional help \$300
- Response 2-4 weeks



Form 1023 if more than \$50,000 in annual revenues.

- 12 pages. Paper. IRS fee \$600. Professional help \$1,000+
- Art of Inc, bylaws, financial statements, Narrative
- Response 1-6+ months

State Filings for Nonprofits



Dept of Revenue:
Corporate tax exemption.
Sales tax exemption.



Secretary of State:
Nonprofit corporate status update every 1-5 years.



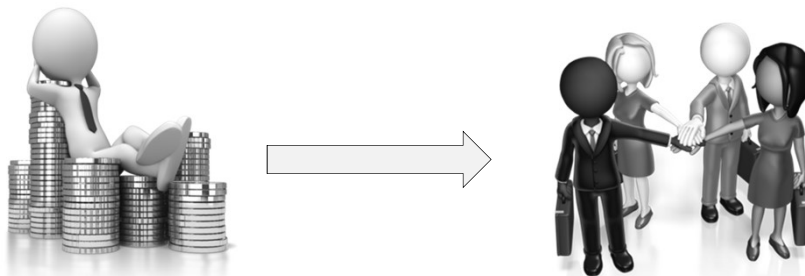
Attorney General:
Charitable Solicitation for donations or fundraisers

HarborCompliance.com>Information Center>Resources by State

Convert For-profit to Nonprofit

*Substantially taken over all the assets or activities of a for-profit entity;
Been converted or merged from a for-profit entity; or
Installed the same officers, directors of a for-profit entity that no longer exists.*

- IRS Instructions to Form 1023-EZ



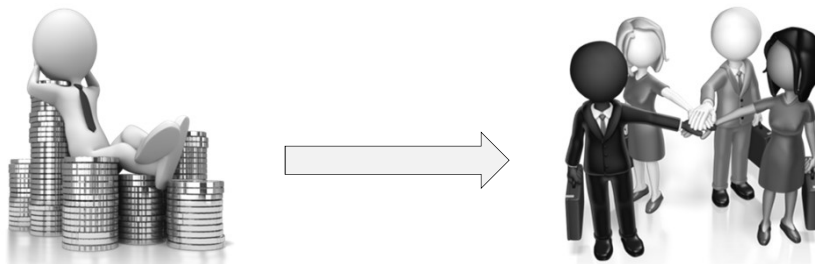
Convert For-profit to Nonprofit

IRS requires longer application Form 1023

Narrative, explanation of how you're now different,
financial statements, Articles of Incorporation, bylaws etc.
Additional fee and time

IRS focus of audits, questions, etc.

-IRS 2019 Exempt Org Work Plan



Convert For-profit to Nonprofit

Start fresh

- New name
- Incorporate as nonprofit
- New EIN
- New leaders
- No transfer of assets
- New, different activities
- **Break in time**



Timeline



- Pick Board members March
- Draft & approve Bylaws June
- Nonprofit Incorporation July 1
- Get EIN July 15
- Open bank account July 15
- Start your program! September
- Apply for 501c3 July-Dec
- IRS tax exempt letter Aug-next June

HomeschoolCPA.com

- Books
 - *The IRS and Your Homeschool Organization.*
Free ebook to you!
 - *Paying Workers in a Homeschool Organization*
- Consultations phone or video \$85/hour
- Tax exempt Application
 - 1023-EZ \$300
 - 1023-full (the beast) \$750-\$1000

THE IRS AND YOUR
HOMESCHOOL
ORGANIZATION



TAX EXEMPT STATUS
STATUS FOR HOMESCHOOL
ORGANIZATIONS

CAROL TOPP, CPA

PAYING WORKERS
IN A HOMESCHOOL
ORGANIZATION



CUTTING THROUGH THE CONFUSION
ON BUSINESS, EMPLOYEES, AND
INDEPENDENT CONTRACTORS

CAROL TOPP, CPA

Questions and Answers
