

# Instructions for Form 1023

(Rev. January 2020)



Department of the Treasury  
Internal Revenue Service

## Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Section references are to the Internal Revenue Code unless otherwise noted.

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**Note.** Keep a copy of the completed Form 1023 for your permanent records.

### Future Developments

For the latest information about developments related to Form 1023 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1023](https://www.irs.gov/Form1023).

### Reminder

**Don't include social security numbers on publicly disclosed forms.** Because the IRS is required to disclose approved exemption applications and information returns, don't include social security numbers on this form. Documents subject to disclosure include supporting information filed with the form and correspondence with the IRS about the filing.

### Phone Help

If you have questions and/or need help completing Form 1023, please call 877-829-5500. This toll-free telephone service is available Monday through Friday.

### Email Subscription

The IRS provides a subscription-based email service for tax professionals and representatives of tax-exempt organizations. We send subscribers periodic updates regarding exempt organization tax law and regulations, available services, and other information. To subscribe, visit [IRS.gov/Charities](https://www.irs.gov/Charities).

### What's New

Organizations requesting recognition of tax-exempt status under section 501(c)(3) must complete and submit their Form 1023 (or Form 1023-EZ, if eligible) applications electronically (including paying the correct user fee) using [Pay.gov](https://www.pay.gov).

### How To Get Forms and Publications

**Internet.** You can access the IRS website 24 hours a day, 7 days a week, at [IRS.gov](https://www.irs.gov) to do the following.

- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications by topic or keyword.
- Use the online Internal Revenue Code, regulations, or other official guidance.
- View Internal Revenue Bulletins (IRBs) published since 1995.
- Sign up at [IRS.gov/Charities-Non-Profits](https://www.irs.gov/Charities-Non-Profits) to receive local and national tax news by email.

**Tax forms and publications.** You can download or print all of the forms and publications you may need at [IRS.gov/FormsPubs](https://www.irs.gov/FormsPubs). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have forms mailed to you. You should receive your order within 10 business days.

### Overview of Organizations Described in Section 501(c)(3)

#### How To Request Recognition of Tax-Exempt Status Under Section 501(c)(3)

Section 501(c)(3) describes organizations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals. Unless an exception applies, an organization must file Form 1023 or Form 1023-EZ (if eligible) to obtain recognition of exemption from federal income tax under section 501(c)(3). You can find information about eligibility to file Form 1023-EZ at [IRS.gov/Charities](https://www.irs.gov/Charities).

**Organizations not required to obtain recognition of exemption.** The following types of organizations may be considered tax exempt under section 501(c)(3) without filing Form 1023 (or Form 1023-EZ).

- Churches, including synagogues, temples, and mosques.

- Integrated auxiliaries of churches and conventions or associations of churches.
- Any organization that has **gross receipts** in each tax year of normally not more than \$5,000. For more information on gross receipts exceptions, go to [IRS.gov/Charities](#).

Even though these organizations aren't required to seek recognition of exemption, they may choose to file Form 1023 (or Form 1023-EZ, if eligible) to receive a determination letter stating they are recognized as exempt under section 501(c)(3) status. The determination letter will also state whether an organization must file annual information returns or notices and will specify whether contributions to that organization are tax deductible.

### Requirements for Tax-Exempt Status Under Section 501(c)(3)

To qualify for exemption under section 501(c)(3), an organization must be organized and operated exclusively for one or more exempt purposes.

**Organized.** An organization must be organized as a **corporation**, a **limited liability company (LLC)**, an **unincorporated association**, or a **trust**. Its **organizing document** (corporate articles of incorporation, LLC articles of organization, articles of association or constitution of an unincorporated association, or trust agreement or declaration of trust) must limit the organization's purpose(s) and permanently dedicate its assets to exempt purposes.

**Operated.** An organization described in section 501(c)(3) must be operated to further one or more of the exempt purposes stated in its organizing document. Certain other activities are prohibited or restricted, including, but not limited to, the following activities. A section 501(c)(3) organization must:

- Absolutely refrain from participating in the political campaigns of candidates for local, state, or federal office;
- Ensure its assets and earnings don't unjustly enrich 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 operate for the primary purpose of conducting a trade or business that isn't related to its exempt purpose(s);
- Not engage in activities that are illegal or violate fundamental public policy; and
- Limit its legislative activities.

**Legislative and political campaign intervention.** Section 501(c)(3) denies exemption to an organization if a substantial part of its activities is

attempting to influence legislation or if it directly or indirectly participates or intervenes in any political campaign on behalf of (or in opposition to) any candidate for elective public office. These issues are described in more detail in the instructions for Part IV, lines 5 and 6.

### Public Charities and Private Foundations

Every organization described in section 501(c)(3) is classified as a **private foundation** unless it qualifies for one of the **public charity** exceptions. For some organizations, the primary distinction between a public charity and a private foundation is its sources of financial support.

**Public charities.** The following section 501(c)(3) organizations are classified as public charities.

- Organizations that are public charities based upon their activities (without regard to their sources of support), such as churches, schools, hospitals, medical research organizations, and cooperative hospital service organizations and agricultural research organizations (sections 509(a)(1) and 170(b)(1)(A)(i), (ii), (iii), and (ix)).
- Organizations that normally receive substantial support from grants, governmental units, and/or contributions from the general public (sections 509(a)(1) and 170(b)(1)(A)(iv) and (vi)).
- Organizations that normally receive more than one-third of their support from contributions, membership fees, and gross receipts from activities related to their exempt functions, and not more than one-third of their support from gross investment income and net unrelated business income (section 509(a)(2)).
- Organizations that support other public charities (supporting organizations) (section 509(a)(3)).
- Organizations that test for public safety (section 509(a)(4)).

**Private foundations.** Section 501(c)(3) organizations that don't fit into any of the foundation classifications above are private foundations. Private foundations are further classified as nonoperating private foundations or private operating foundations (section 4942(j)(3)).

#### Nonoperating private foundations.

Nonoperating private foundations generally accomplish their exempt purpose by making grants and don't otherwise engage directly in charitable activities.

**Private operating foundations.** A private operating foundation actively conducts exempt programs. Private operating foundations are subject to more favorable rules than other private foundations in terms of charitable

contribution deductions and attracting grants from private foundations. In order to be classified as a private operating foundation, an organization must meet certain support tests. Search for "private operating foundations" at IRS.gov for more information.

### Key distinctions between public charities and private foundations.

Foundation classification is important because different tax rules apply to the operations of each entity. For more information on the different rules, see [IRS.gov/Charities-Non-Profits/EO-Operational-Requirements-Private-Foundations-and-Public-Charities](#).

**TIP** Foundation classification has nothing to do with the name of the organization. Many organizations that aren't private foundations include the word "foundation" in their names.

### State Registration Requirements

Tax exemption under section 501(c)(3) is a matter of federal law. After receiving federal tax exemption, an organization may also be required to register with one or more states where it holds assets or where it will solicit contributions. The organization may also need to seek exemption from state taxes. The National Association of State Charity Officials (NASCO) maintains a website that provides informational links to the various states for these purposes. It can be accessed at [www.nasconet.org](http://www.nasconet.org).

## General Instructions

**Social Security number.** Don't enter social security numbers on this form or any attachments because the IRS is required to disclose approved exemption applications and information returns. Documents subject to disclosure include supporting information filed with the form and correspondence with the IRS related to the application.

**"You" and "us."** Throughout these instructions and Form 1023, the terms "you" and "your" refer to the organization that is applying for tax-exempt status. The terms "us" and "we" refer to the IRS.

**Definitions.** Terms in bold type in Form 1023 are defined throughout these instructions and in *Appendix C*.

## Answers

Form 1023 asks you to answer a series of questions and provide information to assist us in determining if you meet the requirements for tax exemption under section 501(c)(3). Answer questions completely. If you believe you previously answered the question, you may refer to your previous answer.



Your answers must provide sufficient detail about your past, present, and planned activities to demonstrate that you're described in section 501(c)(3). We won't be able to recognize you as tax exempt based on a mission statement (such as providing assistance to the poor) unless you also describe the activities that further accomplish your mission. We need to understand the specific activities you will undertake to accomplish your section 501(c)(3) exempt purpose(s).

**Financial data.** Financial data, whether budgeted or actual, should be consistent with other information presented in your application.

For example, if you're requesting public charity classification under one of the public support tests, your financial data should show contributions from the public or receipts from providing exempt services. Budgeted financial data should be prepared based upon your current plans. We recognize that your actual financial results may vary from the budgeted amounts.

**Past, present, and planned activities.** Many items on Form 1023 are written in the present tense; however, base your answers on your past, present, and planned activities.

**Language and currency requirements.** Prepare Form 1023 and attachments in English. Provide an English translation if the articles of organization, bylaws, or any other attachments are in any other language.

Report financial information in U.S. dollars (specify the conversion rate used). Combine amounts from within and outside the United States and report the total for each on the financial statements.

## Purpose of Form

**Completed Form 1023 required to apply for recognition of section 501(c)(3) exemption.** Use Form 1023, including the appropriate user fee, to apply for recognition of exemption from federal income tax under section 501(c)(3). If approved, we will issue a determination letter that describes your tax-exempt status and your qualification to receive tax-deductible charitable contributions. The determination letter will also show your specific foundation classification (described earlier) and annual filing requirements.



**Form 1023-EZ.** You may be eligible to file Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, which is a streamlined version of Form 1023. Complete the Form 1023-EZ

Eligibility Worksheet in the Instructions for Form 1023-EZ to determine if you're eligible to file Form 1023-EZ. You can visit [IRS.gov/Charities](https://www.irs.gov/Charities) for more information on application requirements.

**Leaving a group exemption.** A subordinate organization under a group exemption can use Form 1023 to leave the group and obtain individual exemption. If you're a subordinate organization and wish to leave a group, you should notify your parent organization of your intention to leave the group ruling before filing Form 1023.

## Application for Reinstatement of Exempt Status and Retroactive Reinstatement

If your tax-exempt status was automatically revoked for failure to file a return or notice 3 consecutive years, you must apply to have your tax-exempt status reinstated. You must complete and submit Form 1023, including Schedule E (or, if eligible, Form 1023-EZ), and pay the appropriate user fee.

If your application is approved, your date of reinstatement will generally be the filing date of the application, unless you qualify for reinstatement of exemption retroactive to your date of automatic revocation. See [Rev. Proc. 2014-11, 2014-03 I.R.B. 411](https://www.irs.gov/revproc/2014-11) for details, including additional requirements for retroactive reinstatement.

## Requesting Expedited Review

We generally review applications for exemption in the order we receive them. We only expedite processing of an application where a written request presents a compelling reason for processing the application ahead of others. This does not mean your application will be immediately approved or denied. Circumstances generally warranting expedited processing include the following.

- A grant to the applicant is pending and the failure to secure the grant may have an adverse impact on the organization's ability to continue operations.
- The purpose of the newly created organization is to provide disaster relief to victims of emergencies such as floods and hurricanes.
- An IRS error has caused delays in review of the application.

## User Fee

The law requires payment of a user fee with each application. You must pay this fee through [Pay.gov](https://www.pay.gov) when you file Form 1023.

Payments can be made directly from your bank account or by credit or debit card. You won't be able to submit Form 1023 without paying the correct fee.

User fee amounts are listed in Rev. Proc. 2020-5, updated annually. For the current Form 1023 user fee, go to Rev. Proc. 2020-5, 2020-1 I.R.B. 241, at [IRS.gov/Charities-Non-Profits/User-Fees-for-Tax-Exempt-and-Government-Entities-Division](https://www.irs.gov/Charities-Non-Profits/User-Fees-for-Tax-Exempt-and-Government-Entities-Division). You can also call 877-829-5500.

## Group Exemption

Don't use Form 1023 to apply for a group exemption. We may issue to a central organization a group exemption that recognizes on a group basis the exemption of subordinate organizations on whose behalf the central organization has applied. See Pub. 557 for information on how to apply for a group exemption.

## What To File

All applicants, unless otherwise noted, must complete Parts I through X of Form 1023, plus any required schedules and attachments.

The following organizations must complete additional schedules to Form 1023.

IF you're	THEN you must complete Schedule
A church . . . . .	A
A school, college, or university . . . . .	B
A hospital or medical research organization . . . . .	C
A section 509(a)(3) supporting organization . . . . .	D
Filing this application more than 27 months from your date of formation and/or applying for reinstatement of tax-exempt status after being automatically revoked . . . . .	E
A low-income housing organization . . . . .	F
A successor to other organizations . . . . .	G
An organization providing scholarships, fellowships, educational loans, or other educational grants to individuals and/or a private foundation requesting approval of individual grant procedures . . . . .	H

## Attachments To Form 1023

A complete application will include one or more documents in addition to Form 1023.

[Pay.gov](https://www.pay.gov) can accommodate only one uploaded file. Before submitting Form 1023, consolidate your attachments into a single PDF file. Combine your attachments in the following order.

- **Organizing document** (required).
- Amendments to your organizing document in chronological order (required if applicable).
- **Bylaws** or other rules of operation and amendments (if adopted).
- Form 2848, Power of Attorney and Declaration of Representative (if applicable).
- Form 8821, Tax Information Authorization (if applicable).
- Supplemental responses (if your response won't fit in the provided text field) and any additional information you want to provide to support your request (optional).
- Expedite request (optional).

Put your name and EIN on each page of your supplemental response and identify the part and line number to which the information relates.

## When To File

Generally, if you file Form 1023 within 27 months after the end of the month in which you were legally formed, and we approve your application, the effective date of your exempt status will be your legal date of formation.

If you don't file Form 1023 within 27 months, the effective date of your exempt status will be the date you filed Form 1023. For exceptions and special rules, see Part VIII. Effective Date and Schedule E.

## How to File

As of January 31, 2020, the IRS requires that Form 1023 applications for recognition of exemption be submitted electronically online at [Pay.gov](https://www.pay.gov). The IRS will provide a 90-day grace period during which it will continue to accept paper versions of Form 1023. To submit Form 1023, you must:

1. Register for an account on [Pay.gov](https://www.pay.gov).
2. Enter "1023" in the search box and select Form 1023.
3. Complete the form.

## Filing Assistance

For help in completing this form or general questions relating to an exempt organization, you may access information on our website at [IRS.gov/EO](https://www.irs.gov/EO).

You may find the following publications available on [IRS.gov](https://www.irs.gov) helpful.

- Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

- Pub. 526, Charitable Contributions.
- Pub. 557, Tax-Exempt Status for Your Organization.
- Pub. 598, Tax on Unrelated Business Income of Exempt Organizations.
- Pub. 1771, Charitable Contributions Substantiation and Disclosure Requirements.
- Pub. 1828, Tax Guide for Churches and Religious Organizations.
- Pub. 3079, Tax-Exempt Organizations and Gaming.
- Pub. 3833, Disaster Relief: Providing Assistance Through Charitable Organizations.
- Pub. 4220, Applying for 501(c)(3) Tax-Exempt Status.
- Pub. 4221-PC, Compliance Guide for 501(c)(3) Public Charities.
- Pub. 4221-PF, Compliance Guide for 501(c)(3) Private Foundations.

## Signature Requirements

An officer, director, trustee, or other official who is authorized to sign for the organization must digitally sign Form 1023 at the end of Part X. The signature must be accompanied by the title or authority of the signer and the date.

## Authorized Representative

**Form 2848.** Upload a completed Form 2848 if you want to authorize a representative to represent you regarding your application. An individual authorized by Form 2848 may not sign the application unless that person is also an officer, director, trustee, or other official who is authorized to sign the application.



*A Centralized Authorization File (CAF) number isn't required to be listed on Form 2848.*

**Form 8821.** Upload a completed Form 8821 if you want to authorize us to discuss your application with the person you have appointed on that form.

Form 8821 doesn't authorize your appointee to advocate your position with respect to the federal tax laws; to execute waivers, consents, or closing agreements; or to otherwise represent you before the IRS. If you want to authorize an individual to represent you, use Form 2848.

## After You Submit Form 1023

Unless we approve a request for expedited processing, we will assign and work your application in the order we received it.

**No additional information needed.** If our review shows that you meet the requirements for tax-exempt status under section 501(c)(3), we'll send you a determination letter stating that you're exempt under section 501(c)(3) and identifying your foundation classification.

**Additional information needed.** If we can't make a determination without more information, we'll write or call you. Examples of the types of questions we may ask you are available at [IRS.gov/Charities-Non-Profits/Charitable-Organizations/Exempt-Organization-Sample-Questions](https://www.irs.gov/Charities-Non-Profits/Charitable-Organizations/Exempt-Organization-Sample-Questions). If the additional information you provide shows that you meet the requirements for exemption, we'll send you a determination letter stating that you're exempt under section 501(c)(3). If we determine that you don't qualify for exemption, we will send you a letter that explains our position and your appeal rights.

## Annual Return or Notice While Your Application Is Pending

Unless you qualify for an exception from the requirement to file an annual return or notice, your filing obligations begin as soon as you were formed. If you have an information return or tax return due while your Form 1023 is pending, complete the return, mark the "Application Pending" box in the heading, Item B, and submit the return as indicated in those instructions.

If you're eligible to file a Form 990-N, e-Postcard, call 877-829-5500 and request to be set up to allow filing of Form 990-N (note, it takes the IRS up to 6 weeks to update its records before you can file your Form 990-N).

You can find information on return filing requirements and exceptions in Pubs. 557 and 598 and in the instructions to the annual returns listed in Figure 1.



*You may also be required to file other returns, such as employment tax returns or benefit plan returns, which aren't discussed here.*



*If a Form 990-series return is due while your application is pending, complete and submit the return according to Form 990-series form's instructions.*

## Public Inspection

**Information available for public inspection.** If we approve exempt status under section 501(c)(3), the following information that will be open for public inspection includes the following.

- Your complete Form 1023 and any supporting documents.
- All correspondence between you and the IRS concerning Form 1023, including Form 2848.
- Your determination letter.
- Annual information returns (Forms 990, 990-EZ, or 990-PF).
- Schedule A, included with Forms 990 or 990-EZ.
- Schedule B, included with Forms 990 or 990-EZ, excluding the names and

addresses of contributors and other identifying information about contributors.

- Schedule B, included with Form 990-PF, including names, addresses, and other identifying information about contributors.
- Exempt Organization Business Income Tax Return (Form 990-T).

**Information not available for public inspection.** The following items won't be open for public inspection.

- Any information relating to a trade secret, patent, style of work, or apparatus that, if released, would adversely affect you (we must approve withholding this information).
- Any other information that would adversely affect national defense (we must approve withholding this information).
- User fee payment information.
- Contributors' names and addresses and identifying information about contributors included with Forms 990 or 990-EZ and the Schedule B filed with these forms.

When applying for tax-exempt status, you must clearly identify any information that isn't open for public inspection by marking it as "NOT SUBJECT TO PUBLIC INSPECTION" and include an explanation of why you're asking for the information to be withheld. We will decide whether to withhold the identified information from public inspection.

**Making documents available for public inspection.** Both you and the IRS must make the information that is subject to disclosure available for public inspection. The public may request a copy of the information available for public inspection from us by submitting Form 4506-A. The public may also request inspection of the information or a copy of the information directly from you.

You may post the documents required to be available for public inspection on your own website. Information returns and your exemption application materials must be posted exactly as filed with the IRS. You may only delete the information that isn't open for public inspection.

If you post the documents on your website, you can give any person requesting copies the website where the documents may be found, but you don't need to provide copies of the information. However, even if these documents are posted on your website, you must still allow public inspection without charge at your main office during regular business hours.

Documents aren't considered available for public inspection on a website if the otherwise disclosable information is edited or subject to editing by a third party when

**Figure 1. 990 Series Forms Filed by Exempt Organizations**

Type of Annual Return	Who Should File
Form 990, Return of Organization Exempt from Income Tax	Section 501(c)(3) public charities
Form 990-EZ, Short Form Return of Organization Exempt from Income Tax	Section 501(c)(3) public charities whose gross receipts during the year were less than \$200,000 and total assets at the end of the year were less than \$500,000
Form 990-PF, Return of Private Foundation	Private foundations, including private operating foundations, regardless of financial status
Form 990-T, Exempt Organization Business Income Tax Return	Public charities and private foundations that have gross unrelated business income of \$1,000 or more
Form 990-N Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ	Most small public charities with gross receipts of \$50,000 or less can file a Form 990-N, if they choose not to file a Form 990 or Form 990-EZ instead.

posted. To date, the IRS hasn't approved any third-party websites for posting.

See Pub. 557 for additional information on public inspection requirements.

## Foreign Organizations

Foreign organizations are those that were created in countries other than the United States, its territories, or its possessions. Foreign organizations may apply for tax-exempt status on income earned in the United States in the same way that domestic organizations apply for exempt status. See *Language and currency requirements*, above.

If you're a foreign organization applying for exempt status, you must complete all required parts of Form 1023. However, see the special rules below for certain Canadian organizations.

**TIP** *Contributions by U.S. residents to foreign organizations generally aren't deductible. Tax treaties between the U.S. and certain foreign countries provide specific limited exceptions.*

**Annual returns for foreign organizations.** A foreign organization that obtains exemption as a public charity must file an information return annually (Form 990 or Form 990-EZ). A foreign organization that is a private foundation must file Form 990-PF annually. However, a foreign organization, other than a private foundation or a section 509(a)(3) supporting organization, may file Form 990-N (e-Postcard) instead of Form 990 or Form 990-EZ when its gross receipts from

U.S. sources are normally \$50,000 or less and it hasn't conducted significant activity in the United States. See the Instructions for Form 990 and Form 990-EZ, and the Instructions for Form 990-PF for further information. A foreign organization that is subject to unrelated business income tax must file Form 990-T.

## Canadian Organizations

Canadian organizations that have received a Notification of Registration from the Canada Revenue Agency (formerly Canada Customs and Revenue Agency), and whose registrations haven't been revoked ("Canadian registered charities"), are automatically recognized in the U.S. as section 501(c)(3) organizations and aren't required to file Form 1023. Canadian registered charities are also presumed to be private foundations. If you're a Canadian registered charity and want to be listed as a section 501(c)(3) organization on IRS.gov or request classification as a public charity rather than a private foundation, mail or fax the information below to:

Internal Revenue Service  
Exempt Organization Determinations  
Room 6403  
P.O. Box 2508  
Cincinnati, OH 45201  
(855) 204-6184

No user fee is required.

- A letter stating the organization's request (listing as a section 501(c)(3) organization on IRS.gov or classification as a public charity).

- The legal name and complete mailing address of the organization.
- The organization's EIN.
- The month its tax year ends.
- The organization's date of formation.
- A contact name and telephone number.
- The public charity status it is requesting (if applicable) and information demonstrating how it meets the requirements of that status (see Part VII, line 1, and related questions and schedules).
- This penalty of perjury statement: I declare under the penalties of perjury that I have examined this request, including the accompanying documents, and to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.
  - The signature of an officer, director, trustee, or other authorized person.
  - A copy of the organization's Notification of Registration.
  - Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).

## Organizations Created in U.S. Territories and Possessions

Organizations created in possessions and territories of the U.S. are generally treated as domestic organizations. If you were created in a U.S. possession or territory, you must complete all required parts of Form 1023 to apply for exempt status under section 501(c)(3).

Charitable contributions to you are deductible by donors if you qualify for exempt status under section 501(c)(3).

Annual filing requirements for an organization created in a U.S. territory or possession are similar to those outlined above for foreign organizations (see Rev. Proc. 2011-15 at [IRS.gov/pub/irs-irbs/irb11-03.pdf](https://www.irs.gov/pub/irs-irbs/irb11-03.pdf)).

## Specific Instructions

### Part I. Identification of Applicant

**Line 1a.** Enter your complete name exactly as it appears in your **organizing document**, including amendments.

**Line 1b.** If you have an "in care of" name, enter it here; otherwise, leave this space blank.

**Line 1c-i.** Enter your complete address where all correspondence will be sent. If mail isn't delivered to your street address and you have a P.O. box, list your P.O. box information instead of your street address.

For a foreign address, enter your province or state and foreign postal code where indicated.

**Line 2. Employer Identification Number (EIN).** You must have your own EIN. Enter the 9-digit EIN the IRS assigned to you. If you don't have an EIN, you must apply for one before submitting your application. You can find out how to apply for an EIN by visiting [IRS.gov](https://www.irs.gov) and search for "apply for an EIN." You may apply for an EIN online or by fax or mail. International applicants may call 267-941-1099 (toll call).



*Don't apply for an EIN more than once. If you're unsure of your EIN or whether you have one, call 877-829-5500 for assistance.*



*Don't use the EIN of a related or other organization.*

**Line 3. Month tax year ends.** Select the month your tax year (annual accounting period) ends. Your tax year (annual accounting period) is the 12-month period on which your annual financial records are based.



*Check your **bylaws** or other rules of operation for consistency with the tax year (annual accounting period) you enter here.*

**Line 4. Person to contact.** Enter the name and title of the person you want us to contact if we need more information. The person to contact may be an officer, director, trustee, or other individual who is permitted to speak with us according to your bylaws or other rules of operation. Your person to contact may also be an **authorized representative**, such as an attorney, certified public accountant, or enrolled agent, for whom you're submitting a completed Form 2848 with the Form 1023.

**Line 5.** Provide a daytime telephone number for the contact listed on line 4.

**Line 6.** You may provide a fax number for the contact listed on line 4.

**Line 7.** Pay.gov will populate this field with the current user fee for filing Form 1023.

**Line 8.** Enter your complete website address if you have one. Also, list any websites maintained on your behalf. The information on your website should be consistent with the information in your Form 1023.

**Line 9. Officers, directors, and trustees.** Enter the full names, titles, and mailing addresses of your officers, directors, and/or trustees. You may use the organization's address for mailing. If you have more than five officers, directors,

or trustees, check the box provided to add more officer, director, and/or trustee information.

The person who is signing Form 1023 must be listed within the first five entries of line 9.

## Part II. Organizational Structure

You must be a corporation, limited liability company, unincorporated association, or trust to be tax exempt under section 501(c)(3). Sole proprietorships, partnerships, or loosely affiliated groups of individuals aren't eligible.

**Line 1. Type of organization and copy of organizing document.** Select your type of organization, and before submitting the form, upload a copy of your **organizing document** (including any amendments) as part of the required attachment.

**Corporation.** A **corporation** is an entity organized under a federal or state statute, or a statute of federally recognized Indian tribal or Alaskan native government.


**Copy of organizing document (articles of incorporation and any amendments).** A corporation's **organizing document** is its "articles of incorporation." If you formed under state statute, your articles of incorporation (and any amendments) must show **certification of filing**. This means your articles show evidence that on a specific date they were filed with and approved by an appropriate state authority. The document must be an exact copy of what is on file with your state.

If you don't have a copy of your articles of incorporation showing evidence of having been filed and approved by an appropriate state official, you may submit a substitute copy of your articles of incorporation. This substitute copy may be handwritten, typed, printed, or otherwise reproduced. It must be accompanied by a declaration, signed by an officer authorized to sign for you, that it is a complete and correct copy of the articles of incorporation and that it contains all the powers, principles, purposes, functions, and other provisions by which you currently govern yourself.

**Limited liability company.** A **limited liability company** (LLC) that files its own exemption application is treated as a corporation rather than a partnership.


**Copy of organizing document (articles of organization and operating agreement (if adopted) and any amendments).** Instead of articles of organization, an LLC's **organizing document** is its state-approved "articles of organization." If it has adopted an "operating agreement," then this

document is also part of its organizing document. If you formed under state statute, your articles of organization (and any amendments) must show **certificate of filing**. This means your articles show evidence that on a specific date they were filed with and approved by an appropriate state authority. The document must be an exact copy of what is on file with your state. If you don't have a copy of your articles of organization showing evidence of having been filed and approved by an appropriate state official, you may submit a substitute copy of your articles of organization. This substitute copy may be handwritten, typed, printed, or otherwise reproduced. It must be accompanied by a declaration, signed by an officer authorized to sign for you, that it is a complete and correct copy of the articles of organization and that it contains all the powers, principles, purposes, functions, and other provisions by which you currently govern yourself.

 **TIP** *If you are an LLC and want to be treated as a disregarded entity by a tax-exempt member, don't file an exemption application.*

**Unincorporated association.** An **unincorporated association** formed under state law must have at least two members who have signed a written document that creates an entity with a specifically defined purpose.

**Copy of organizing document (articles of association or constitution and any amendments).** Your organizing document must include the name of the organization, its purpose, the date the document was adopted, and the signatures of at least two individuals. If your copy doesn't contain the proper signatures and date of adoption, you may submit a written declaration that states your copy is a complete and accurate copy of the signed and dated original. Your declaration should clearly indicate the original date of adoption.

 **TIP** *Bylaws may be considered an organizing document only if they include the required elements listed above.*

**Trust.** A **trust** may be formed by a trust agreement or declaration of trust. A trust may also be formed through a will. Generally, a trust must be funded with property, such as money, real estate, or personal property.

**Copy of organizing document (trust agreement/declaration of trust or will and any amendments).** Your trust agreement (and any amendments) must be signed by at least one trustee. If your trust agreement copy isn't signed, you may submit a written declaration that states your copy is a complete and

accurate copy of the signed and dated original. Your declaration should clearly indicate the original date that it was signed. For trusts created by a will, include a copy of the death certificate or a statement indicating the date of death, and a copy of the relevant portions of the will.



*If your trust agreement continues to provide for distributions for non-charitable interests, you won't qualify for tax-exempt status.*

**Line 2. Formation date.** The date you enter should be consistent with your organizing document.

- If you're a corporation, enter the date that your articles of incorporation were filed and approved by the appropriate authority.
- If you're an LLC, enter the date that the appropriate authority filed your articles of organization or other organizing document.
- If you're an unincorporated association, enter the date that your organizing document was adopted by the signatures of at least two individuals.
- If you're a trust (other than a trust formed by a will), enter the date your trust was funded. If your trust agreement provided for any non-charitable interests, enter the date that non-charitable interests expired. If you were formed by a will, enter the date of death or the date any non-charitable interests expired.

**Line 3. State of formation.** Enter the jurisdiction (for instance, the state or the federally recognized tribal government) under the laws of which you were incorporated or otherwise formed. This may not be the place in which you're physically located. For example, if you're physically located in New York, but incorporated under Massachusetts law, enter Massachusetts.

For purposes of completing this application, you're formed under the laws of a **foreign country** if you're not formed under the laws of the United States, its territories and possessions, federally recognized Indian tribal or Alaska native governments, or the District of Columbia.

**Line 4. "Bylaws"** are generally the internal rules and regulations of an organization. If you have bylaws, upload a current copy (including any amendments). Bylaws don't need to be signed unless they are your **organizing document** as described in the instructions for line 1 above.

**Line 5. Successor organization.** You are a "successor" if you:

- Took over activities previously conducted by another organization,

- Took over 25% or more of the fair market value of the net assets of another organization, or
- Were established upon the conversion of an organization from for-profit to non-profit status.

If you're a successor organization, complete Schedule G, Successors to Other Organizations.



*Your predecessor organization may have been either a tax-exempt or non-exempt organization.*

## Part III. Required Provisions in Your Organizing Document

**Line 1. Purpose clause.** Your **organizing document** must limit your purposes to those described in section 501(c)(3). Those purposes are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals.

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. Therefore, the phrase "relief of the poor" in your organizing document properly limits your purposes.

Limiting your purposes by reference to section 501(c)(3) generally will be sufficient to meet the organizational test under section 501(c)(3). Your organizing document may also sufficiently limit your purpose by reference to a specific charitable purpose such as "relief of the elderly within the meaning of section 501(c)(3)."

However, purposes listed in your organizing document broader than those listed in section 501(c)(3) may cause you to fail the organizational test. In that case, you will need to amend your organizing document before applying. A reference to section 501(c)(3) won't ensure that your purposes are limited to those described in section 501(c)(3) if other provisions describing your purposes include one or more non-exempt purposes. The following is an example of an acceptable purpose clause.

*The organization is organized exclusively for charitable, religious, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding sections of any future federal tax code.*

See Pub. 557 for further information and examples of how to limit your purposes.

**Line 2. Dissolution clause.** Your organizing document must provide for the permanent dedication of your assets to a section 501(c)(3) purpose. This means that if you dissolve your organization in the future, your assets must be distributed for an exempt purpose described in section 501(c)(3), or to the federal government, or to a state or local government, for a public purpose. In certain states, you may rely on state law to establish the permanent dedication of assets for exempt purposes. This is based on Rev. Proc. 82-2, 1982-1 C.B. 367. For additional information, search “Operation of state law” at [IRS.gov](http://IRS.gov).

Foreign organizations may be able to rely upon the applicable laws of their jurisdiction in a similar manner. If relying on a foreign law, you must provide a copy of the applicable law with an English translation.

Naming a specific organization to receive your assets upon dissolution will be acceptable only if your organizing document requires that the specific organization to be exempt under section 501(c)(3) at the time your dissolution takes place and provides for a qualified alternative recipient if the named organization isn't exempt under section 501(c)(3) at that time.

If your organizing document states that your assets would be distributed to members or private individuals or for any purpose other than those provided in section 501(c)(3), you must amend your organizing document to remove such statements.

The following is an example of an acceptable dissolution clause.

*Upon the dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.*

See Pub. 557 for further information and examples of acceptable language for dedication of assets in your organizing document.

## Part IV. Your Activities

### Reminder

Answer all questions in this part as they pertain to your past, present, and future activities.

**Line 1.** Describe completely and in detail your past, present, and planned activities. Don't refer to or repeat the purposes in your organizing document or speculate about potential future programs. Your narrative description of activities should be thorough and accurate because we determine whether you qualify for section 501(c)(3) exempt status based on the information in your application. You should describe either actual or planned activities. For example, if you plan to further educational purposes by operating an afterschool homework club, you would describe that activity rather than cite that you will further educational purposes. If you were also contemplating offering scholarships in the future, but currently have no plans to do so, then the scholarship activity would be speculative, and you should not describe it.


Some organizations (such as credit counseling organizations (see Part IV, line 8), childcare organizations (see Part IV, line 12), agricultural research organizations (see Part VII, line 1), or cooperative hospital service organizations (see Schedule C)) must meet specific operational requirements to qualify for exemption under section 501(c)(3). If you're such an organization, be certain to include an explanation in your activity description of how activities you conduct (or don't conduct, if the specific operational requirement limits permissible activities) satisfy those specific operational requirements.

For each past, present, or planned activity, include information that answers the following questions.

- What is the activity?
- Who conducts the activity?

- Where is the activity conducted?
- What percentage of your total time is allocated to the activity? (Combined time percentages should add up to 100%.)
- How is the activity funded (for example, donations, fees, etc.) and what percentage of your overall expenses is allocable to this activity?
- How does the activity further your exempt purposes?

**Line 2. National Taxonomy of Exempt Entities (NTEE) code.** An NTEE code is a three-character series of letters and numbers that generally describes a type of organization. Enter the code that best describes your organization from the list of NTEE codes, located in Appendix D. For more information and more detailed definitions of these codes developed by the National Center for Charitable Statistics (NCCS), visit the Urban Institute NCCS website at [www.nccs.urban.org](http://www.nccs.urban.org).


 **TIP** NTEE codes are also used for purposes other than identification of organizations described in section 501(c)(3). Therefore, all codes in the list don't necessarily correspond to a section 501(c)(3) purpose.

**Line 3.** If programs are limited to specific individuals, describe how you select or identify those individuals. If programs are available only for members, describe membership criteria, any membership dues, any different membership levels, and the benefit each membership level receives.

**Line 4.** Describe any business or family relationship between individuals who receive goods, services, or funds through your programs and any officers, directors, trustees, or highest compensated employees or **independent contractors**.

For purposes of this form, “highest compensated” employees or independent contractors are persons to whom you pay over \$100,000 of **compensation**, including compensation from related organizations.

**Line 5.** You participate in a **political campaign** if you promote or oppose the candidacy of an individual for public office. Candidate debates and nonpartisan voter education and registration may be permitted. See Rev. Rul. 2007-41, 2007-25 I.R.B. 1421 at [IRS.gov/irb/2007-25\\_I.R.B.1421](http://IRS.gov/irb/2007-25_I.R.B.1421) and Pub. 1828 for more information and examples.

 **CAUTION** Organizations described in section 501(c)(3) are prohibited from supporting or opposing candidates for public office in any political campaign. If you answer “Yes,” you aren't qualified for tax exemption under section 501(c)(3) and should reconsider whether the filing of application Form 1023 is appropriate for you. See Pub 557 for a




description of other code sections under which you may qualify.

**Line 6.** You are attempting to **influence legislation** if you directly contact or urge the public to contact members of a legislative body for the purpose of proposing, supporting, or opposing legislation. You are also attempting to influence legislation if you advocate the adoption or rejection of legislation. If you answer “Yes,” your explanation should include the percentage of your total time and total funds spent on such legislative activities.

Organizations described in section 501(c)(3) are prohibited from engaging in a substantial amount of legislative activities. Whether you’re engaged in substantial legislative activities depends on all of the facts and circumstances.

For this purpose, “legislation” includes action by Congress, a state legislature, a local council, or a similar governing body, with respect to acts, bills, resolutions or similar items (such as legislative confirmation of appointive offices). Legislation also includes action by the public in a referendum, ballot initiative, constitutional amendment, or similar procedure. Legislation generally doesn’t include actions by executive, judicial, or administrative bodies.

Organizations may involve themselves in issues of public policy without being engaged in legislative activity. For example, organizations may conduct educational meetings, prepare and distribute educational materials, or otherwise consider public policy issues. Similarly, an organization may appear before a governmental body at its request to offer testimony about a decision that may affect the organization’s existence.

 *A private foundation isn’t allowed to engage in any activities to influence legislation.*

**Line 6a. Form 5768.** Most public charities are eligible to elect to make expenditures to influence legislation by filing Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation. By filing Form 5768, your legislative activities will be measured solely by an expenditure limit under section 501(h) rather than by whether the legislative activity is considered substantial. Form 5768 describes the types of organizations that are eligible to make an election. You must file Form 5768 by mailing it to the address on the form. For a discussion of influencing legislation and the requirements of section 501(h), see Pub 557.



*Churches and private foundations aren’t eligible to make this section 501(h) election.*

**Line 7. Intellectual property** includes the following;

- Patents (for inventions);
- Copyrights (for literary and artistic works such as novels, poems, plays, films, musical works, drawings, paintings, photographs, sculptures, architectural designs, performances, recordings, film, and radio or television programs);
- Trade names, trademarks, and service marks (for symbols, names, images, and designs); and
- Formulas, know-how, and trade secrets.

**Line 8.** These activities involve the education of the consumer on budgeting, personal finance, financial literacy, mortgage foreclosure assistance, or other consumer credit areas. These activities may also involve assisting the consumer in consolidating debt and negotiating between debtors and creditors to lower interest rates and waive late and over-limit fees. If you answer “Yes,” you may be subject to the requirements of section 501(q). Search “501(q)” on IRS.gov for information on these requirements and whether they apply to you.

**Line 9.** A “**relationship**” between you and the recipient organization includes the following situations.

- You control the recipient organization, or it controls you through common officers, directors, or trustees, or through authority to approve budgets or expenditures.
- You and the recipient organization were created at approximately the same time and by the same persons.
- You and the recipient organization operated in a coordinated manner with respect to facilities, programs, employees, or other activities.
- Persons who exercise substantial influence over you also exercise substantial influence over the recipient organization.

**Line 9b.** Answer “Yes,” if you make grants, loans, or other distributions (such as goods) to a foreign organization.

**Line 9g–i.** The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against certain governments, entities, and individuals, as directed in Executive Orders. As part of the comprehensive and sustained campaign against terrorist financing, all U.S. persons, including U.S.–based charities, are prohibited from dealing with persons (individuals and entities) identified as

being associated with terrorism on OFAC’s Specially Designed Nationals and Blocked Persons List (OFAC SDN List). Information about OFAC sanction programs and the OFAC SDN List are available at [www.treasury.gov/ofac](http://www.treasury.gov/ofac).

**Line 10.** A “**foreign country**” is a country other than the U.S., its territories and possessions, and the District of Columbia.

**Line 10a–c.** See instructions for lines 9g–i.

**Line 11.** You are a sponsoring organization of a donor-advised fund if you establish separate accounts that you own or control for a donor whereby the donor or donor-advisor may make recommendations about the investments of or distributions from the account. See Pub. 557 for more information on the definitions of sponsoring organizations and donor-advised funds.



*You can’t sponsor a donor-advised fund if you’re a private foundation.*

**Line 12.** A “**school**” is an educational organization whose primary function is the presentation of formal instruction and which normally maintains a regular faculty and curriculum and that normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. A school may include the following.

- Primary, secondary, preparatory, or high school.
- College or university.
- Trade or technical school.
- Nursery or pre-school.
- School that you operate as an activity, such as a school that is operated as an activity of a museum, historical society, or church.



*If you’re a nursery or pre-school that doesn’t meet the description of a school, answer “No,” to line 12.*



*If you’re a nursery, pre-school, or child care organization that doesn’t meet the description of a school, you may still further an educational purpose if substantially all the care you provide is for the purpose of enabling individuals to be gainfully employed and your services are available to the general public (section 501(k)).*

If you’re a school, or if you operate a school as an activity (even if it is a secondary activity), complete Schedule B. See Pub. 557 for additional information.

**Line 13.** “**Hospital**” or “**medical care**” includes the treatment of any physical or

mental disability or condition, whether as an inpatient or outpatient. A **hospital** includes the following.

- Hospitals and rehabilitation institutions, outpatient clinics, or community mental health or drug treatment centers if the principal purpose or function is the providing of medical or hospital care or medical education or research.
- **Medical research organizations** if the principal purpose or function is the continuous active conduct of medical research in conjunction with a hospital.

If you provide “hospital or medical care,” or you’re a medical research organization, complete Schedule C.

See Pub. 557 for additional information.

**Line 14. “Low-income housing”** refers to rental or ownership housing provided to persons based on financial need. If you provide low-income housing, complete Schedule F.


**Line 15.** Answer “Yes,” if you pay money to an individual as a scholarship, fellowship, or education loan; for travel, study, or other similar purposes. Also, answer “Yes,” if you pay such amounts on behalf of an individual to a school or a tuition or educational savings program. Complete Schedule H—Section I.

Travel, study, or other similar purposes include payments made to enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill, or talent of the individual recipient. These payments include, for example, amounts paid to:

- Vocational high school students to be used to purchase basic tools;
- Teachers to induce them to teach in a public school system in an economically depressed area; and
- A scientific researcher to underwrite that individual’s research project.

Educational grants don’t include amounts you pay to an individual as compensation, such as payments made to a consultant for personal services or to produce a report for you.


Educational grants don’t include amounts paid to another organization that distributes your funds as a scholarship to an individual if you have no role in the selection process.

 If you’re a “**private foundation**” as described in Part VII, you must obtain advance approval of your grant-making procedures. You can use Schedule H—Section II, to request advance approval as part of this application process. You can complete Section II when you complete Part VII. Foundation Classification.

**Line 16. “Fundraising”** includes efforts to raise funds through appeals for financial

support. Fundraising may be conducted by your employees or volunteers, through an agent, or through an independent contractor. Check all the boxes that apply.

For purposes of this application, “**bingo**” is a game of chance played with cards that generally are printed with five rows of five squares each on which participants place markers to form a pre-selected pattern to win the game. “Other (non-bingo) **gaming** activities” include pull-tabs, raffles, keno, split-the-pot, and other games of chance.

 **Gaming** doesn’t further an exempt purpose under section 501(c)(3). Except to the extent that an exception may apply, your revenue from gaming activities will be subject to **unrelated business income tax**. See Pub. 3079 for further information about gaming.

## Part V. Compensation and Other Financial Arrangements

**Reminder.** Answer all questions in this part as they pertain to your past, present, and future activities.

For purposes of Part V, **compensation** includes:

- Salary or wages;
- Deferred compensation;
- Retirement benefits, whether in the form of a qualified or non-qualified employee plan (pensions or annuities);
- Fringe benefits (personal vehicle, meals, lodging, personal and family educational benefits, low-interest loans, payment of personal travel, entertainment, or other expense, athletic or country club membership, and personal use of your property); and
- Bonuses.

**Example.** An organization could compensate a director as follows:

Wages	
Director	\$2,500
Compensation . . .	
Salary as Chief Executive Officer . . . . .	40,000
Deferred retirement . . . . .	2,000
Health insurance policy . . .	5,000
Use of a vehicle . . . . .	5,000
Total Compensation	\$54,500

Make sure the information you provide in Part V is consistent with the information you enter in Part VI. Financial Data.

**Line 1. Compensation.** Check “Yes,” if you do or you will compensate your officers, directors, or trustees. Also, check

“Yes,” if you will or you do have highest compensated employees or highest compensated independent contractors.

For purposes of this form, “highest compensated” employees or independent contractors are persons to whom you pay over \$100,000 of **compensation**, including compensation from related organizations.


For information on determining if an individual is an employee or an independent contractor, see Pub. 15-A, Employer’s Supplemental Tax Guide.

**Line 1e. “Similarly situated organizations”** means tax-exempt or taxable organizations of comparable size, purpose, and resources. Adjustments due to geographic area and other specified conditions are appropriate, but you should document the adjustments. You should document the source(s) of comparable compensation data, both taxable and non-taxable, and retain copies in your permanent records.

**Line 1g. “Reasonable compensation”** is the amount that would ordinarily be paid for like services by like organizations under like circumstance as of the date the compensation arrangement is made. Establishing and documenting your decisions about compensation is important because excess compensation (including cash and other benefits that aren’t accounted for as reasonable compensation for services) may result in excise taxes on both the individual and you, and may jeopardize your tax exemption.

**Line 2.** A conflict of interest arises when a person in a position of authority over an organization, such as a director, officer, or manager, may benefit personally from a decision he or she could make. A sample **Conflict of Interest Policy** is included as Appendix A. This sample conflict of interest policy doesn’t prescribe any specific requirements. Therefore, organizations should use a conflict of interest policy that best fits their organizations.

Adoption of a conflict of interest policy isn’t required to obtain tax-exempt status. However, by adopting the sample policy or a similar policy, you will be choosing to put in place procedures that will help your officers, directors, and trustees recognize situations that could present potential or actual conflicts of interest so that you can take steps to reduce the risk that those in positions of authority over you may receive an inappropriate benefit.

 The sample conflict of interest policy in Appendix A includes items marked “Hospital insert—for hospitals that complete Schedule C” that are intended to be adopted by hospitals.

**Line 3.** A fixed payment means a payment that is either a set dollar amount or fixed through a specific formula where the amount doesn't depend on discretion. For example, a salary of \$200,000 that is adjusted annually based on the increase in the Consumer Price Index is a fixed payment.

A "non-fixed payment" means a payment that depends on discretion. For example, a bonus of up to \$100,000 that is based on an evaluation of performance by the governing board is a non-fixed payment because the governing body has discretion over whether the bonus is paid and on the amount of the bonus.

**Line 4.** Don't include purchases or sales of goods and services in your normal course of operations that are available to the general public under similar terms and conditions.

Answer "Yes," if any of your officers, directors, or trustees:

- Is an officer, director, or trustee of another organization (other than a section 501(c)(3) organization) that you will purchase or sell goods, services, or assets from or to; or
- Possesses more than 35% ownership interest in any organization that you will purchase or sell goods, services, or assets from or to.

**Arm's length.** An arm's length standard exists where the parties have an adverse (or opposing) interest. For example, a seller wants to sell his goods at the highest possible price, while a buyer wants to buy at the lowest possible price. These are adverse interests.

In negotiating with a person, an adverse interest is assumed if that person is otherwise unrelated to you in the sense of not being in a position to exercise substantial influence over you or your affairs. If the person is in a position to exercise substantial influence over your affairs, then an arm's length standard requires additional precautions to eliminate the effect of the relationship.

Using a **conflict of interest policy**, information about comparable transactions between unrelated parties, and reliable methods for evaluating the transaction, are examples of precautions that would help make the negotiation process equivalent to one between unrelated persons.

**Fair market value.** This is the price at which property or the right to use property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy, sell, or transfer property or the right to use property, and both having reasonable knowledge of relevant facts.

**Line 5.** Answer "Yes," if any of your officers, directors, or trustees:

- Is an officer, director, or trustee in another organization (other than a section 501(c)(3) organization) that has a lease, contract, loan, or other agreement with you; or
- Possesses more than a 35% ownership interest in any organization that has a lease, contract, loan, or other agreement with you. For example, answer "Yes," if one of your directors is an officer for a section 501(c)(4) organization with whom you have a lease for office space, or if one of your directors owns more than 35% of the voting stock of a corporation to which you made a loan.

**Line 6.** "Develop" means the planning, financing, construction, or provision of similar services involved in the acquisition of real property, such as land or a building. For example, you should provide information regarding the services of a consultant who arranges your acquisition of a facility through the issuance of tax-exempt bonds.

**Line 7.** "Manage" means to direct or administer. For example, you would provide information about an organization hired to administer a museum gift shop.

**Line 8.** A "joint venture" is a legal agreement in which the persons jointly undertake a transaction for mutual profit. Generally, each person contributes assets and shares risks. Like a partnership, joint ventures can involve any type of business transaction and the persons involved can be individuals, groups of individuals, companies, or corporations.

## Part VI. Financial Data

**Line 1.** Select the option that best describes you to determine the years of revenues and expenses you need to provide.

**Completed less than 1 year.** If you've existed for less than 1 year, provide projections of your likely income and **expenses** for your current year and projections of your likely income and expenses for the next 2 years based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. Place financial information for the year you're filing this application in the column marked *Current tax year*.

**Completed more than 1 year, fewer than 5 years.** If you've existed for more than 1 year but fewer than 5 years, provide your actual income and expenses for each completed year you've existed and projections of your likely income and expenses based on a reasonable and good faith estimate of your future finances for your current year and each year you

haven't existed, for a total of 4 years of financial information. Place financial information for the year you're filing this application in the column marked *Current tax year*.

**Completed 5 years or more.** If you've existed for 5 years or more, provide your actual income and expenses for your 5 most recently completed tax years. Place financial information for your most recently completed tax year in the column marked *Current tax year*.



We may request financial information for more than 5 years.

## A. Statement of Revenue and Expenses

**Preparing the statement.** Prepare the statement using the method of accounting you use in keeping your books and records.

Prepare the statement using the accounting period entered on Part I, line 3. Enter "0" if a particular **revenue** or **expense** doesn't apply to you.

Your financial information should reflect your activities described in this application.

**Line 1.** Enter the total gifts, grants, and contributions you receive (other than membership dues reported on line 2 and described below). Include items of value that you receive as gifts, grants, or contributions. For example, if one of your activities is a food drive, include the value of the donated food on this line. Also include on this line payments a governmental unit makes to enable you to both accomplish your exempt purpose(s) and to provide a service or facility directly to the general public.

See the instructions for line 9 if you're uncertain whether **revenue** should be included as a grant on line 1 or as **gross receipts** on line 9. Include **unusual grants** on line 12 and not on line 1.

### Examples.

1. A city pays the symphony orchestra to provide free music programs in the public schools. The programs are open to the public. This income received from a governmental unit accomplishes the orchestra's exempt purpose and directly provides a service to the general public. This income is a grant to the symphony orchestra that should be listed on line 1.

2. The symphony orchestra sells tickets to the public for its fall season. Such income is gross receipts received from the general public in performance of the symphony orchestra's exempt function and should be listed on line 9.

3. The public school system pays the orchestra to create several musical pieces

**Figure 2. Net Gain or Loss On Sales of Capital Assets**

	Categories		
	(A) Real Estate	(B) Securities	(C) Other
1. Gross sales price of assets (other than inventory) by category.			
2. <b>Less:</b> Cost or other basis and sales expenses.			
3. Gain or (loss). Subtract line 2 from line 1.			
4. Net gain or (loss) — Add line 3 of columns (A), (B), and (C). Enter here and on Form 1023, Part VI - A. Statement of Revenues and Expenses, line 11.			

suitable for the school system’s elementary music curriculum. This payment by a governmental unit for the music compositions is primarily for the school system’s own use, not for the direct benefit of the public. Therefore, this income is gross receipts received from a governmental unit in performance of the orchestra’s exempt function that should be listed on line 9.

**Line 2.** Enter the amount you receive from members to provide support to the organization. Don’t include payments from members or on behalf of members to purchase admissions, merchandise, services, or use of facilities.

**Line 3.** Enter your gross income from dividends, interest, payments received on securities, loans, rents, and royalties you hold for investment purposes.

See Pub. 598 for additional information regarding royalties treated as unrelated business income.

**Line 4.** Enter your net income from unrelated business activities. “**Unrelated business income**” generally is income from any trade or business activity that is regularly carried on, and not related to your exempt purpose. Certain exceptions and exclusions may apply.

Report on line 9 income from activities that aren’t related to the accomplishment of your exempt purposes, but aren’t considered unrelated business activities. For example, report income from the sale of merchandise by volunteers that isn’t treated as an unrelated trade or business on line 9.

See Pub. 598 for additional information regarding unrelated business income.

**Line 5.** Enter amounts any local tax authority collects from the public on your behalf.

**Line 6.** Enter the value of services or facilities a governmental unit furnishes to you. Use the **fair market value** of the services or facilities. Don’t include the value of services or facilities generally

provided by the governmental unit to the public without charge.

**Line 7.** Enter your total income from all sources not reported on lines 1 through 6, or lines 9, 11, and 12. Provide an itemized list in line 25, showing each type and amount of income included, and a brief description of each type of income.

**Line 8.** Lines 1 through 7 will be added for you.

**Line 9.** Enter income from activities that you conduct to further your exempt purposes (excluding amounts listed on other lines). Also, include as **gross receipts** the income from activities conducted:

- Intermittently (not regularly carried on), such as an occasional auction;
- With substantially all (at least 85%) volunteer labor, such as a car wash;
- For the convenience of members, students, patients, officers, or employees, such as a parking lot for a school’s students and employees; or
- With substantially all contributed merchandise, such as a thrift store.

See Pub. 598 for additional information regarding income that isn’t from an unrelated trade or business.

“**Gross receipts**” also includes payment by a governmental unit that may be called a “grant” but is actually payment for a service or facility for the use of the government payer, rather than for the direct benefit of the public.

**Example.** The state government gives a conservation group a grant to study the effects of a new sewage treatment plant on an ecologically significant woodland area. Although the payment is called a grant, it is actually gross receipts that should be included on line 9. The payment is by a governmental unit (state) for a study for its own use, not for the direct benefit of the general public. A for-profit consulting company could’ve done the study rather than by the tax-exempt conservation group.

Provide an itemized list of your gross receipts in line 25, describing the sources and amounts of income. For payments by a governmental unit, list the payer, the purpose of the payment, and the payment amount.

**Line 10.** Lines 8 and 9 will be added for you.

**Line 11.** Enter any net gain or loss on the sale of capital assets. Provide an itemized list by asset category (for example, real estate or securities) showing gross sales, cost or other basis/sales expenses, and gain or loss by asset category in line 25. You may use the format in Figure 2.

**Line 12.** Enter any “**unusual grants**,” which generally are any substantial contributions and bequests you received from disinterested persons that, by their size, adversely affect your classification as a **public charity**. “**Unusual grants**” are unusual, unexpected, and received from an unrelated party. Provide an itemized list of any unusual grants, including the amount in line 25, and explain how it was unusual, unexpected, and from an unrelated party.

For additional information about unusual grants and a description of **public charity** classifications, see Pub. 557.

**Line 13.** Lines 10 through 12 will be added for you.

**Lines 14.** Enter the total **expenses** you incur for soliciting gifts, grants, and contributions included on line 1. Include fees paid to professional fundraisers for soliciting gifts, grants, and contributions.

**Line 15.** Enter the total amount you pay out to both individuals and organizations. Provide an itemized list in line 25, identifying recipients (using letter designations such as A, B, C, etc.), a brief description of the purposes or conditions of payments, and the amounts paid.

Colleges, universities, and other educational institutions and agencies subject to the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) don’t need to list the names of individuals to whom they provided scholarships or other financial assistance where such disclosure would violate the privacy provisions of the law. Instead, group each type of financial aid provided, indicate the number of individuals who received the aid, and specify the aggregate dollar amount.

Maintain (but don’t submit) a list showing the names of recipients associated with each letter designation.

**Line 16.** Enter total payments you make to or for the benefit of your members (not including any amounts listed on line 15). Provide an itemized list in line 25, identifying recipients (using letter

designations), a brief description of the purposes or condition of payments, and the amounts paid.

Maintain (but don't submit) a list showing the names of recipients associated with each letter designation.

**Line 17.** Enter the total amount of **compensation** you pay to your officers, directors, and trustees.

**Line 18.** Enter the total amount of salaries and wages you pay to employees (not reported on line 17).

**Line 19.** Enter your total interest expenses for the year. Don't include mortgage interest treated as an occupancy expense on line 20.

**Line 20.** Enter the amount you pay for the use of office space or other facilities, heat, light, power and other utilities, outside janitorial services, mortgage interest, real estate taxes, and similar expenses.

**Line 21.** Enter the total depreciation, depletion, and similar expenses you incur.

**Line 22.** Enter the total professional fees you pay. Professional fees are amounts charged by individuals and entities that aren't your employees. They include fees for professional fundraisers (other than fees listed on line 14, earlier), accounting services, legal counsel, consulting services, contract management, or any **independent contractors**.

**Line 23.** Enter any **expenses** you didn't include in the lines above, such as for program services. Provide an itemized list in line 25, showing the type and amount of each significant expense.

**Line 24.** Lines 14 through 23 will be added for you.

## B. Balance Sheet

Complete the balance sheet for your most recently completed tax year. If you haven't completed a full tax year, use the most current information available. Be sure to enter the year-end date for the information provided and not the date you prepare this application. Enter "0" if a particular asset or liability doesn't apply to you.

**Line 1.** Enter your total cash in checking and savings accounts, temporary cash investments (money market funds, CDs, treasury bills, or other obligations that mature in less than 1 year), and petty cash funds.

**Line 2.** Enter your total accounts receivable that arose from the sale of goods and/or performance of services, less any reserve for bad debt.

**Line 3.** Enter the amount of materials, goods, and supplies you purchased or manufactured and held to be sold or used in some future period.

**Line 4.** Enter the total amount of bonds or notes you issued that will be repaid to you. Provide an itemized list in line 19, that shows the name of each borrower (using a letter designation), the borrower's relationship to you, a brief description of the obligation, the rate of return, the due date, and the amount due.

Maintain (but don't submit) a list showing the names of borrowers associated with each letter designation.

**Line 5.** Enter the total **fair market value** of corporate stocks you hold. Provide an itemized list of your corporate stock holdings in line 19.

For stock of closely held corporations, list the name or the corporation, a brief summary of the corporation's capital structure, the number of shares held, and their value as carried on your books. If valuation doesn't reflect current fair market value, also include fair market value.

For stock traded on an organized exchange or in substantial quantities over the counter, list the name of the corporation, a description of the stock, and the principal exchange on which it is traded, the number of shares held, their value as carried on your books, and their fair market value.

**Line 6.** Enter your total amount of loans (personal and mortgage loans) receivable. Provide an itemized list in line 19 that identifies each borrower (using a letter designation), the borrower's relationship to you, purpose of loan, repayment terms, interest rate, and original amount of loan. Report each loan separately, even if more than one loan was made to the same person.

Maintain (but don't submit) a list showing the names of borrowers associated with each letter designation.

**Line 7.** Enter the total book value of your other investments. Include the total book value of government securities (federal, state, and municipal), and buildings and equipment held for investment purposes. Provide an itemized list in line 19 identifying and reporting the book value of each building/item of equipment held for investment purposes.

**Line 8.** Enter the total book value of buildings and equipment not held for investment purposes. This includes facilities you own and equipment you use in conducting your exempt activities. Provide an itemized list in line 19 of these assets held at the end of the current tax year/period, including the cost or other basis.

**Line 9.** Enter the total book value of land not held for investment purposes.

**Line 10.** Enter the total book value of any other category of your assets not reported

on lines 1 through 9, for example, patents, copyrights, or other intangible assets. Provide an itemized list of each asset in line 19.

**Line 11.** Lines 1 through 10 will be added for you.

**Line 12.** Enter the total amount of your accounts payable to suppliers and others, such as salaries payable, accrued payroll taxes, and interest payable.

**Line 13.** Enter the total unpaid portion of grants and contributions you committed to pay to other organizations or individuals.

**Line 14.** Enter the total of your mortgages and other notes payable outstanding at the end of the current tax year/period. Provide an itemized list in line 19 showing each note separately, including the lender's name, purpose of loan, repayment terms, interest rate, and original amount.

**Line 15.** Enter the total amount of any other liabilities not reported on lines 12 through 14. Provide an itemized list in line 19 of these liabilities, including the amounts you owe.

**Line 16.** Lines 12 through 15 will be added for you.

**Line 17.** Under fund accounting, an organization segregates its assets, liabilities, and net assets into separate funds according to restrictions on the use of certain assets. Each fund is like a separate entity in that it has a self-balancing set of accounts showing assets, liabilities, equity (fund balance), income, and expenses. If you don't use fund accounting, report only the "net assets" account balances, which include capital stock, paid-in capital, retained earnings or accumulated income, and endowment funds.

**Line 18.** Lines 16 and 17 will be added for you.

## Part VII. Foundation Classification

Organizations that are exempt under section 501(c)(3) are **private foundations** unless they are:

- Churches, schools, hospitals, governmental units, entities that undertake testing for public safety, organizations that have broad financial support from the general public; or
- Organizations that support one or more organization(s) that are themselves classified as public charities.

Section 501(c)(3) organizations excepted from private foundation classification are **public charities**. Unless you meet one of the exceptions above, you're a private foundation.



*You can only select one foundation classification.*

**Line 1.** Select the foundation classification you're requesting from the list below. The form will then take you to additional lines or parts of the application that you must complete based on your response.

**509(a)(1) and 170(b)(1)(A)(vi).** Select this classification if you normally receive a substantial part of your support from grants from governmental units or from contributions from the general public, or a combination of these sources. Typically, you would show a substantial part of your income on Part VI-A. Statement of Revenue and Expenses, lines 1 and 2.

Under this **public charity** classification, you must meet the one-third public support test or 10% facts and circumstances test. See Pub. 557 for more information.

**Public support test.** An organization must receive either:

1. At least one-third of its total support from governmental agencies, contributions from the general public, and contributions or grants from other public charities; or
2. At least 10% of its total support from governmental agencies, contributions from the general public, and contributions or grants from other public charities; and also satisfy a facts and circumstances test.

**Facts and circumstances test.** Facts and circumstances include:

1. The amount of support you received from the general public, governmental units, or public charities;
2. Whether you have a continuous and bona fide program for solicitation of funds from the general public, governmental units, or public charities, or carry on activities designed to attract support from organizations or other governmental units, and
3. All other facts and circumstances, including the public nature of your governing board, the extent to which your facilities or programs are publicly available, the extent to which nature your dues encourage membership, and whether your activities are likely to appeal to persons having a broad common interest or purpose. For additional information about the 10% facts and circumstances test, see Pub. 557 and Reg. 1.170A-9(f)(3).

**509(a)(2).** Select this classification if you normally receive more than one-third of your support from contributions, membership fees, and **gross receipts** from activities related to your exempt

functions, or a combination of these sources, and not more than one-third of your support from **gross investment income** and net **unrelated business income**. Typically, you would show a substantial part of your income on Part VI-A. Statement of Revenues and Expenses, lines 1, 2, and 9.

Under this **public charity** classification, you must meet both the "one-third public support test" and the "not-more-than-one-third investment income and net unrelated business income test," lines 1 through 13. See Pub. 557 for additional information about these tests.

**509(a)(1) and 170(b)(1)(A)(i).** Select this classification if your primary purpose is operating a church or convention or association of churches. The term "church" includes mosques, temples, synagogues, etc. If you select this box, complete Schedule A.

**509(a)(1) and 170(b)(1)(A)(ii).** Select this classification if your primary purpose is operating a **school**. If you select this box, complete Schedule B.

If you operate a school but it isn't your primary purpose, don't select this classification. However, you must still complete Schedule B. See Part IV, line 12.

**509(a)(1) and 170(b)(1)(A)(iii).** Select this classification if your primary purpose is providing medical or **hospital** care or medical education or research (performed in association with a hospital). If you select this box, complete Schedule C.

A hospital includes a rehabilitation institute, outpatient clinic, community mental health clinic, drug treatment center, or skilled nursing facility. A hospital doesn't include convalescent homes, homes for children or the aged, or institutions whose principal purpose or function is to train handicapped individuals to pursue some vocation.

**Cooperative hospital service organizations** described in section 501(e) should also check this box and complete Schedule C.

**509(a)(1) and 170(b)(1)(A)(iv).** Select this classification if you're organized and operated exclusively to benefit a college or university owned or operated by a governmental unit. You must also normally receive a substantial part of your support from a governmental unit or from contributions from the general public.

**509(a)(1) and 170(b)(1)(A)(ix).** Select this classification if you're an agricultural research organization described in section 170(b)(1)(A)(ix) operated in conjunction with a land grant college or university or a non-land grant college of agriculture.

In Part IV, line 1, include information detailing your agricultural research program and how you will spend contributions to your program, including a description of how you're engaged in the continuous active conduct of agricultural research (as defined in Section 1404 of the Agricultural Research, Extension, and Teaching Policy Act of 1977), information showing that you're operated in conjunction with a land grant college or university or a non-land grant college of agriculture (as defined in Section 1404 of the Agricultural Research, Extension, and Teaching Policy Act of 1977), and information discussing the timing of when you will spend contributions for research.

**509(a)(3).** Select this classification if you're organized and operated to support one or more public charities described in section 509(a)(1) or 509(a)(2) or an organization that is tax exempt under section 501(c)(4), (5), or (6) and meets the public support test of section 509(a)(2). See the instructions for Schedule D for more information about the requirements for this classification, including the required relationship you must have with your supported organization(s). Complete Schedule D.

**509(a)(4).** Select this classification if your primary purpose is to test products to determine their acceptability for use by the general public.

Contributions to organizations of this type aren't deductible under section 170(c). Also, organizations that primarily test for specific manufacturers don't qualify for exemption under section 501(c)(3).

**Select my classification for me.** Select this option if you believe you're a **public charity** but would like the IRS to select the correct public charity classification (509(a)(1) and 170(b)(1)(A)(vi) or 509(a)(2)) for you.

**Private foundation.** Select this classification if you don't meet one of the exceptions listed above.

**Line 1a.** Section 508(e) provides that a private foundation isn't tax exempt unless its **organizing document** contains specific provisions. These specific provisions require that you operate to avoid liability for excise taxes under sections 4941(d), 4942, 4943(c), 4944, and 4945(d). You can also meet these provisions by reliance on state law.

See Pub. 557 for samples of provisions that will meet section 508(e). Also, see Appendix B for a list of states that have enacted statutory provisions that satisfy the requirement of section 508(e), subject to notations. Appendix B is based on Rev. Rul. 75-38, 1975-1 C.B. 161.

**Line 1c.** Some private foundations are **private operating foundations**. Private operating foundations make qualifying distributions directly for the active conduct of their educational, charitable, and religious purposes. “Directly for the active conduct” means that you use the distributions yourself to carry out the programs for which you’re organized and operated. Grants made to assist other organizations or individuals are normally considered indirect.

**Line 1d.** If you have existed for 1 year or more, you must provide information that demonstrates you meet the requirements to be classified as a private operating foundation, including the income test and either the endowment test, the assets test, or the support test. If you have existed for less than 1 year, you must sufficiently describe how you’re likely to meet these requirements and tests. You may also submit an affidavit or opinion of counsel giving enough facts about your operations and support to enable us to determine that you’re likely to meet these requirements.

See Pub. 557 for additional information about private operating foundations.

**Line 2. Confirmation of public support status.** If you have been in existence for more than 5 years, and you requested classification as a public charity described in sections 509(a)(1) and 170(b)(1)(A)(vi), you must confirm that you meet the public support test.

To show that you meet the required public charity support test, complete lines 2(i) and 2(ii). Calculate your public support based on the accounting method you used to complete Part VI-A, Statement of Revenues and Expenses.

**Line 2(i). 509(a)(1) and 170(b)(1)(A)(vi).** Check “Yes,” if you received contributions from any person, company, or organization (other than a governmental unit described in section 170(c)(1) or a publicly supported organization under section 170(b)(1)(A)(vi)), whose gifts totaled more than 2% of the amount on the total of amounts entered on line 8 of Part VI-A, Statement of Revenue and Expenses, and identify those contributors by letter (A, B, C, etc.) and list the amount(s) contributed by each. Keep, but don’t submit, a list of the names of your donors with the associated letter designations.

**Line 2(ii).** Use Schedule A (Form 990 or 990-EZ) Public Charity Status and Public Support, Part II, Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi), and its instructions to determine if you met the public support test for your most recent 5-year period.

**Line 2a(i). 509(a)(2).** Check “Yes,” if you received amounts listed on lines 1, 2, and 9 of Part VI-A, Statement of Revenue and Expenses, from any **disqualified persons** and identify those disqualified persons by letter (A, B, C, etc.) and list the amounts contributed by each. Keep, but don’t submit, a list of the names of your donors with the associated letter designations.

**Line 2a(ii).** Check “Yes,” if you received amounts paid by an individual or organization greater than the larger of 1% of line 10, of Part VI-A, Statement of Revenues and Expenses, or \$5,000 for any completed tax year, and identify those individuals or organizations by letter and list the amount(s) received from each. Keep, but don’t submit, a list of the names of your donors with the associated letter designations.



*Don’t include disqualified persons in this list. Disqualified persons should be listed in line 2(a)(i). For purposes of this application, a “disqualified person” is any individual or organization that is any of the following.*

1. A “**substantial contributor**” to you (defined below).
2. An officer, director, trustee, or any other individual who has similar powers or responsibilities.
3. An individual who owns more than 20% of the total combined voting power of a corporation that is a substantial contributor.
4. An individual who owns more than 20% of the profits interest of a partnership that is a substantial contributor.
5. An individual who owns more than 20% of the beneficiary interest of a trust or estate that is a substantial contributor.
6. A member of the **family** of any individual described in 1, 2, 3, 4, or 5 above.
7. A corporation in which any individuals described 1, 2, 3, 4, 5, or 6 above hold more than 35% of the total combined voting power.
8. A trust or estate in which any individuals described in 1, 2, 3, 4, 5, or 6 above hold more than 35% of the beneficial interests.
9. A partnership in which any individuals described in 1, 2, 3, 4, 5, or 6 above hold more than 35% of the profits interest.

**Substantial contributor.** A **substantial contributor** is any individual or organization that gave more than \$5,000 to you from the date you were formed or other date that your exemption would be effective, to the end of the year in which the contributions were received. This total

amount contributed must also be more than 2% of all the contributions you received. A creator of a trust is treated as a substantial contributor regardless of the amount contributed. For more information regarding substantial contributors, go to [IRS.gov/Charities-Non-Profits/Private-Foundations/Substantial-Contributor-Private-Foundation](https://www.irs.gov/Charities-Non-Profits/Private-Foundations/Substantial-Contributor-Private-Foundation).

**Family members.** A “member of the family” includes the spouse, ancestors, children, grandchildren, great-grandchildren, and their spouses.

For additional information concerning members of the family, go to [IRS.gov/Charities-Non-Profits/Charitable-Organizations/Member-of-the-Family](https://www.irs.gov/Charities-Non-Profits/Charitable-Organizations/Member-of-the-Family).

Further information about disqualified persons, can be obtained at [IRS.gov/Charities-Non-Profits/IRC-Section-4946-Definition-of-Disqualified-Person](https://www.irs.gov/Charities-Non-Profits/IRC-Section-4946-Definition-of-Disqualified-Person).

**Line 2a(iii).** Use Schedule A (Form 990 or 990-EZ), Public Charity Status and Public Support, Part III, Support Schedule for Organizations Described in Section 509(a)(2), and its instructions to determine if you meet the public support test for your most recent 5-year period.

## Part VIII. Effective Date

**Line 1.** Use the formation date you listed in Part II, line 2, and the date you will submit this electronic form and required user fee payment to determine whether you’re submitting this application within 27 months from the month in which you were formed. If you’re not submitting this application within 27 months from your formation, complete Schedule E.

## Part IX. Annual Filing Requirement

Most organizations must file an annual return (Form 990, 990-EZ, or Form 990-PF) or notice (Form 990-N, Electronic Notice (e-Postcard)). Exceptions to this rule include churches, certain church affiliated organizations, and certain affiliates of a governmental unit. You can find more detailed information about filing requirements and exceptions from the requirement to file in the Instructions for Form 990.

The following are some general rules.

- A private foundation must file Form 990-PF annually, regardless of its gross receipts.
- Unless specifically required to file Form 990 or Form 990-EZ (see the Instructions for Form 990), most public charities that normally have gross receipts of \$50,000 or less may satisfy their filing obligation with Form 990-N, Electronic Notice (e-Postcard).



If you fail to file a required information return or notice for 3 consecutive years, your exempt status will be automatically revoked.

**Line 1.** Check “Yes,” if you’re claiming you are excepted from filing a Form 990-series return or notice and indicate the reason you believe you’re excepted from filing. See Pub. 557 and the Instructions for Form 8940, Request for Miscellaneous Determination, for more information on the requirements for the various filing exceptions. Provide information regarding how you meet your requested exception in your narrative description of activities or as part of an uploaded supplemental response.

## Part X. Signature

**Signature requirements.** An officer, director, trustee, or other official who is authorized to sign for the organization must sign Form 1023. The signature must be accompanied by the title or authority of the signer and the date.



The person signing Form 1023 must be listed as an officer, director, or trustee within the first five entries of Part I, line 9.

## Upload Checklist

**Documents to upload.** Check the boxes to indicate which documents are included in the file you upload with your application.

You **must** upload a copy of your organizing document and any amendments to it along with a copy of your bylaws, if adopted. The other listed documents are not required.

Put your name and EIN on each page of your supplemental response and identify the part and line number to which the information relates.

Pay.gov can accommodate only one uploaded file. Consolidate your attachments into a single PDF file, which cannot exceed 15MB.

If your PDF file exceeds the 15MB limit, remove any items over the limit and contact IRS Customer Accounts Services at 877-829-5500 for assistance on how to submit the removed items.

## Schedule A. Churches

There is no single definition of the word “church” for tax purposes. When determining whether a section 501(c)(3) religious organization is described as a church (described in section 509(a)(1) and 170(b)(1)(A)(i)), we will consider characteristics generally attributed to churches and the facts and circumstances of each organization applying for public charity classification as a “church.”

The characteristics generally attributed to churches are:

- A distinct legal existence,
- A recognized creed and form of worship,
- A definite and distinct ecclesiastical government,
- A formal code of doctrine and discipline,
- A distinct religious history,
- A membership not associated with any other church or denomination,
- Ordained ministers ministering to the congregation,
- Ordained ministers selected after completing prescribed courses of study,
- A literature of its own,
- Established places of worship,
- Regular congregations,
- Regular religious services,
- Sunday schools for the religious instruction of the young, and
- Schools for the preparation of ministers.

Although you don’t need to meet each of the above criteria to be classified as a church, you’re generally required to have a congregation or other religious membership group. For purposes of foundation classification under section 509(a)(1) and 170(b)(1)(A)(i), the term “church” includes, without limitation, mosques, temples, and synagogues, and certain other forms of religious organizations. For more information, see Pub. 1828.

The practices and rituals associated with your religious beliefs or creed must not be illegal or contrary to public policy.

### Specific Line Items

**Line 1.** Describe your written creed, statement of faith, or summary of beliefs.

**Line 2.** Your literature includes any writings about your beliefs, rules, or history.

**Line 3.** A “code of doctrine and discipline” refers to a body of laws or rules that govern behavior.

**Line 4.** A “religious hierarchy or ecclesiastical government” refers to people or institutions that exercise significant influence or authority over your church.

**Line 5.** Answer “Yes,” if you’re part of a group of churches with similar beliefs and structures, such as a convention, association, or union of churches.

**Line 6.** A “form of worship” refers to religious practices that express your devotion to your creed, faith, or beliefs.

**Line 7.** Indicate the regular days and times of your religious services. Describe the order of events during your regular worship service and explain how the

activities conducted as part of your services further your religious purposes.

**Line 7a.** Enter the average number of members and non-members who attend your regularly scheduled religious services.

**Line 8.** An “established place of worship” is a place where you hold regularly scheduled religious services. It may be a place that you own, rent, or that is provided free for your use.

**Line 9.** An “established congregation” or “other religious membership group” includes individuals who regularly attend and take part in the religious services of your organization at an established location. An established congregation generally doesn’t include members of only one family. If you answer “No,” because you don’t have an established congregation or other religious membership, you may be a religious organization that doesn’t qualify as a church. If you don’t qualify as a church, you will need to go back to Part VII, line 1, to reconsider your public charity classification.



You may request classification as a church at a later date after you establish a congregation or other religious membership group. For information about this option, see Form 8940, Request for Miscellaneous Determination Under Section 507, 509(a), 4940, 4942, 4945, and 6033 of the Internal Revenue Code, or contact our customer account service representatives at 877-829-5500 (toll-free).

**Line 9a.** Enter the total number of your current members. If you have no members, enter zero (0).

**Line 9b.** Answer “Yes,” if you have a prescribed way to become a member. Answer “Yes,” even if you just keep records of who is currently a member. Describe any actions required for individuals to become members.

**Line 9c.** Describe any rights and benefits of members. You should include details of any levels of membership and the rights and/or benefits associated with each level.

**Line 9d.** If your members may be associated with another denomination or church, describe the circumstances in which your members would be members of your church and another church.

**Line 9e.** See Appendix C for a description of the word “family.”

**Line 10.** Answer “Yes,” if you conduct baptisms, weddings, funerals, or other religious rites.

**Line 11.** A school for the religious instruction of the young refers to any



regularly scheduled religious, educational activities for youth.

**Line 12.** A “prescribed course of study” refers to formal or informal training. It doesn’t include self-ordination or paying a fee for an ordination certificate without completing a course of study. Describe the course of study completed by your religious leaders.

**Line 15.** Provide any additional information you would like us to consider that would help us classify you as a church.

## Schedule B. Schools, Colleges, and Universities

An organization qualifies as a school (for purposes of classification under sections 509(a)(1) and 170(b)(1)(A)(ii)) if all the following applies. It:

- Presents formal instruction as its primary function,
- Has a regularly scheduled curriculum,
- Has a regular faculty of qualified teachers,
- Has a regularly enrolled student body, and
- Has a place where educational activities are regularly carried on.

The term “**school**” includes primary, secondary, preparatory, high schools, colleges, and universities. An organization won’t be described as a school under sections 509(a)(1) and 170(b)(1)(A)(ii) if it engages in both educational and non-educational activities, unless the latter are merely incidental to the educational activities. Non-traditional schools such as an outdoor survival school or a yoga school may qualify. However, an organization may further an educational purpose without satisfying all the conditions listed above that describe a school. Such organizations may qualify as public charities based upon their sources of support as organizations described in sections 509(a)(1) and 170(B)(1)(A)(vi) or section 509(a)(2).

### Specific Line Items

**Line 1.** Answer “Yes,” if you have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on.



*If you answer “Yes,” you should maintain in your records evidence that you meet these factors, such as:*

- A list of required courses of study, dates and times courses are offered, and other information about how to complete required courses;

- Certification by the appropriate state authority or successful completion of required training for qualified teachers;
- Records of regular attendance by students at your facility; and
- A lease agreement or deed for your facility.

If you answer “No,” you may not meet the requirements of a school and you may need to go back to Part VII, line 1, to reconsider your foundation classification if you requested classification as a school under sections 509(a)(1) and 170(b)(1)(A)(ii).

**Line 2.** Answer “Yes,” if your primary function of the school is the presentation of formal instruction. If you answer “No,” you may not meet the requirements for classification as a school and may want to go back to Part VII, line 1, to reconsider your foundation classification if you requested classification as a school under sections 509(a)(1) and 170(b)(1)(A)(ii).

**Line 3.** Answer “Yes,” if you’re a public school and explain how you’re operated by the state or a subdivision of a state, including if you have a signed contract or agreement with a state or local government under which you operate and receive funding. If you answer “Yes,” don’t complete the remainder of Schedule B.

**Line 4.** Answer “Yes,” if you were formed or substantially expanded when public schools in your district or county were desegregated by court order.



*If you’re unsure whether to answer “Yes,” contact an appropriate school official.*

**Line 5.** Answer “Yes,” if a state or federal administrative agency or judicial body ever determined your organization to be racially discriminatory. Identify the parties involved and the forum in which the case was presented. Explain the reason for the action, the decision reached, and provide legal citations (if any) for the decision. Also, explain in detail any changes made in response to the action against your organization or the decision reached.

### Establishment of Racially Nondiscriminatory Policy

Every private school is subject to the provisions of Revenue Procedure 75-50, 1975-2 C.B. 587, modified by Rev. Proc. 2019-22, 2019-22 I.R.B. 1260. See Pub. 557, which sets forth the requirements of Rev. Proc. 75-50 under the section for *Private Schools*.

**Publication of racially nondiscriminatory policy.** A section 501(c)(3) organization that is a private school must publish a notice of its racially

nondiscriminatory policy as to students as follows.

*The M school admits students of any race, color, national origin, and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It doesn’t discriminate on the basis of race, color, national origin, and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs.*

**Annual certification.** A private school must certify annually that it meets the requirements of Rev. Proc. 75-50, as modified by Rev. Proc. 2019-22, by filing Schedule A (Form 990, or Form 990-EZ) Organization Exempt Under Section 501(c)(3).

Schools that don’t file Form 990 or 990-EZ must make the certification by filing Form 5578, Annual Certification of Racial Nondiscrimination for a Private School Exempt From Federal Income Tax.

**Line 7.** Answer “Yes,” if your **organizing document** or bylaws contain a nondiscriminatory statement as to students similar to the one shown above or if you adopted such a policy by resolution of your governing body. State where your policy is located in your organizing document, bylaws, or if it is in an adopted resolution. If you answered “No,” you must adopt a nondiscriminatory policy before submitting this application.

**Line 8.** Answer “Yes,” if your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement similar to the following:

*The M school admits students of any race, color, and national or ethnic origin.*

**Line 8a.** If you answered “No” to Line 8, check the box on line 8a if you agree that all future printed materials, including website content, will contain a statement of nondiscriminatory policy as to students similar to the one provided above.


**Line 9.** You must make your nondiscriminatory policy known to all segments of the general **community** served by the school. One way to meet this requirement is to publish your

nondiscriminatory policy annually in a newspaper or over broadcast media. Rev. Proc. 2019-22 now allows this publication requirement to be satisfied by continuously displaying your nondiscrimination statement on your Internet site, as described below.

Check “Yes,” if you make your racially nondiscriminatory policy known to all segments of the general community you serve by:

- Publishing a notice of your policy in a newspaper of general circulation that serves all racial segments of the community;
- publicizing your policy over broadcast media in a way that is reasonably expected to be effective; or
- display a notice of your policy at all times on your primary, publicly accessible Internet homepage in a manner reasonably expected to be noticed by visitors to the homepage.


See Rev. Proc. 75-50, as modified by Rev. Proc. 2019-22, for guidance on the format and content of the required notice and whether any exceptions may apply to you.

 *A notice published in the legal notices section or classified advertisements of your local newspaper generally is not acceptable.*


**Line 9a.** If you answered “No,” to line 9, check the box on line 9a if you agree that you will publicize your nondiscriminatory policy in a way that meets the requirements of Revenue Procedure 75-50, as modified by Revenue Procedure 2019-22.


**Line 11.** Enter the racial composition of your student body, faculty, and administrative staff in the spaces provided. Enter actual numbers, rather than percentages, for the current year and projected numbers for the next academic year. If the number is zero, then enter “0.”

If you’re not operational, submit an estimate based on the best information available (such as the racial composition of the **community** you serve).

 *Don’t identify students, faculty, and staff by name.*

**Line 12.** Enter the racial composition of students to whom you award loans and scholarships in the spaces provided. Enter actual numbers, rather than percentages, for the current year and projected numbers for the next academic year. If the number is zero, then enter “0.” If you won’t provide any loans or scholarships, check the box provided.

 *Don’t identify students by name.*

 *If you complete line 12 indicating you do or will provide loans or scholarships, be sure your response to Part IV, line 15 is consistent with your response here.*


**Line 13.** Identify each of your incorporators, founders, board members, donors of land, and donors of buildings by name (whether individuals or organizations).

**Line 14.** Answer “Yes,” if any individuals or organizations on your list have an objective to keep public or private school education segregated by race and explain how these individuals or organizations promote segregation in public or private schools.

**Line 15.** Answer “Yes,” if on a continuing basis, you will maintain for a minimum period of 3 years the following records.

- Your racial composition (similar to the information requested on Schedule B, line 11).
- Evidence that your scholarships and loans are awarded on a racially nondiscriminatory basis (similar to the information requested on Schedule B, line 12).
- Copies of all materials used by you or on your behalf to solicit contributions.
- Copies of brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and financial aid.

Answer “No,” if you don’t maintain records and explain how you meet the recordkeeping requirements under Rev. Proc. 75-50.

 *Failure to maintain these records or produce them upon the proper request will create a presumption that you haven’t complied with the requirements of Rev. Proc. 75-50.*

## Schedule C. Hospitals and Medical Research Organizations

An organization qualifies as a hospital for purposes of classification under sections 509(a)(1) and 170(b)(1)(iii) if it is a:

- **Hospital,**
- **Medical research organization** operated in conjunction with a hospital, or
- **Cooperative hospital service organization.**

**Hospital.** An organization is a “**hospital**” if its principal purpose or function is providing medical or hospital care or medical education or research. **Medical care** includes treatment of any physical or mental disability or condition, on an inpatient or outpatient basis. Thus, if an organization is a rehabilitation institution, outpatient clinic, or community mental health or drug treatment center, it is a

hospital if its principal function is providing treatment services, as described above.

A hospital doesn’t include convalescent homes, homes for children or the aged, or institutions whose principal purposes or function is to train handicapped individuals to pursue a vocation.

**Medical research organization.** An organization is a “**medical research organization**” if its principal purpose or function is the direct, continuous, and active conduct of medical research in conjunction with a hospital. The hospital with which the organization is affiliated must be described in section 501(c)(3), a federal hospital, or an instrumentality of a governmental unit, such as a municipal hospital.

“Medical research” means investigations, experiments, and studies to discover, develop, or verify knowledge relating to the causes, diagnosis, treatment, prevention, or control of human physical or mental diseases and impairments. For more information, see Regulations section 1.170A-9(c)(2).

**Cooperative hospital service organization.** A cooperative hospital service organization performs one or more of the specific services listed below for one or more exempt hospitals on a cooperative basis. The services listed below are exclusive. A cooperative service organization that provides services other than those listed below, or that provides services to an organization other than an exempt hospital, doesn’t qualify for exemption under section 501(c)(3). The list of services includes:

1. Data processing;
2. Purchasing (including the purchasing of insurance on a group basis);
3. Warehousing;
4. Billing and collection (including the purchasing of patron accounts receivable on a recourse basis);
5. Food;
6. Clinical;
7. Industrial engineering;
8. Laboratory;
9. Printing;
10. Communications;
11. Record center; and
12. Personnel services (including selection testing, training, and education of personnel).

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### Specific Line Items

**Line 1.** Answer “Yes,” if your organization is a medical research organization, as described above.

**Line 1a.** As a medical research organization, you must be associated with a hospital described in section 501(c)(3), a federal hospital, or an instrumentality of a government. Provide the name of the hospital(s) you're associated with and describe the relationship(s).

**Line 1b.** List your assets and their **fair market value** and the portion of your assets directly devoted to medical research. Don't complete the remainder of Schedule C.

**Line 2.** Answer "Yes," if you're a cooperative hospital service organization and describe the services you provide to your member hospitals and the exempt status of your membership. Don't complete the remainder of Schedule C.

**Line 3.** Answer "Yes," if all the doctors in your **community** are eligible for staff privileges at your facility. You must answer "Yes," even if staff privileges at your facilities are limited by capacity, provided that all qualified medical professionals in your community may seek and would be considered for eligibility.

Answer "No," if all doctors in your community aren't eligible for staff privileges at your facility.

If you answer "No," describe in detail how you limit eligibility for staff privileges at your facility. Include details of your eligibility criteria and selection procedures for your courtesy staff of doctors.

**Line 4.** Answer "Yes," if you admit all patients in your community who can pay for themselves or through some form of third-party reimbursement (for example, private health insurance, Medicare, or Medicaid).

Answer "No," if you limit admission for these individuals in any way and describe your admission policy in detail, including how and why you restrict patient admission.

**Line 5.** Answer "Yes," if you offer emergency medical or hospital care at your facility on a 24-hour basis, seven days a week.

**Line 5a.** Answer "Yes," if the reason you don't maintain a full-time emergency room is either because you're a specialty hospital where emergency care would be inappropriate for the services you provide or another emergency medical care facility that provides such services is located so near to you as to make such services as you might provide duplicative.

**Line 6.** Answer "Yes," if you provide free or low-cost medical or hospital care services. If you answer "Yes," describe your policy and to whom you provide these services. Include details on how these services promote benefits to the **community**. For example, you may want

to indicate how you determine who is eligible for the services, how you inform the general public about your policy, any requirements you require of patients to receive reduced cost or free care, and any agreements you might have with municipalities or government agencies to subsidize the cost of admitting or treating patients through this policy.

**Line 7.** Answer "Yes," if you have a formal program of medical training and research. If you answer "Yes," describe your program, including the programs you offer, the scope of such programs, and affiliation with other hospitals or medical care providers with which you carry on the medical training or research programs.

**Line 8.** Answer "Yes," if you have a formal program of community educational programs and describe your programs, including the types of programs offered, the scope of the programs, and affiliation with other hospitals or medical care providers with whom you offer community educational programs.

**Line 9.** Answer "Yes," if you have a board of directors that is representative of the **community** you serve or if an organization described under section 501(c)(3) with a community board exercises rights or powers over you.

Answer "Yes," if you're subject to a state corporate practice of medicine law that requires your governing board to be composed solely of physicians licensed to practice medicine in the state.

**Line 9a.** List each board member by name and describe that person's relationship to you. Also, for each board member, describe if and how that individual represents the community. Generally, hospital employees and staff physicians aren't individuals considered to be community representatives. If you operate under a parent organization whose board of directors isn't comprised of a majority of individuals who are representative of the community you serve, provide the requested information for your parent organization's board of directors as well.

**Line 10. Section 501(r).** Answer "Yes," if you operate a facility that is required by a state to be licensed, registered, or similarly recognized as a hospital. Organizations that respond "Yes," to this question are required to meet additional requirements described in section 501(r) to be considered a hospital exempt from taxation by section 501(c).

**Line 10a.** A community health needs assessment (CHNA) is an assessment of the significant health needs of the community. To meet the requirements of section 501(r)(3), a CHNA must take into account input from persons who represent

the broad interests of the community served by the hospital facility, including those with special knowledge or expertise in public health, and must be made widely available to the public. Each hospital facility must conduct a CHNA at least once every 3 years and adopt an implementation strategy to meet the community health need identified through such CHNA.

Answer "Yes," if the hospital facility conducted a complying CHNA in the current tax year or in either of the 2 immediately preceding tax years or if the hospital facility intends to conduct a CHNA before the end of its first 3-year period.

**Line 10b.** A financial assistance policy (FAP), sometimes referred to as a charity care policy, is a policy describing how an organization will provide financial assistance at its hospital(s) and other facilities, if any. Financial assistance includes free or discounted health services provided to persons who meet the organization's criteria for financial assistance and are unable to pay for all or a portion of the services. Financial assistance doesn't include:

- Bad debt or uncollectible charges that the organization recorded as revenue but wrote off due to a patient's failure to pay or the cost of providing such care to such patients;
- The difference between the cost of care provided under Medicaid or other means-tested government programs or under Medicare and the revenue derived therefrom;
- Self-pay or prompt pay discounts; or
- Contractual adjustments with any third-party payors.

Answer "Yes," if the hospital facility has adopted a written financial assistance policy and a written policy relating to emergency medical care as required by section 501(r)(4).

**Line 10c.** Under section 501(r)(5), the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care are the amounts generally billed to individuals who have insurance covering such care.

Answer "Yes," if the hospital facility:

1. Limits or will limit any charges to FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services to not more than the amounts generally billed to individuals who had insurance covering such care; and
2. Prohibits, or upon beginning operations will prohibit, the use of gross charges as described in section 501(r)(5).

The hospital facility may check "Yes," if it charged more than the amounts generally billed to individuals who had

insurance covering such care to an individual if:

- The charge in excess of the amounts generally billed (AGB) wasn't made or requested as a pre-condition of providing medically necessary care to the FAP-eligible individual;
- As of the time of the charge, the FAP-eligible individual hadn't submitted a complete FAP application and hadn't otherwise been determined by the hospital facility to be FAP eligible for the care; and,
- If the individual subsequently submits a complete FAP application and is determined to be FAP-eligible for care, the hospital facility refunds any amount that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5.

**Line 10d.** Answer "Yes," if the hospital facility has, or will have at the beginning of operation, either a separate written billing and collections policy, or include in a written FAP:

- A description of any actions that the hospital facility (or other authorized party) may take related to obtaining payment of a bill for medical care, including, but not limited to, any extraordinary collection actions (ECAs);
- The process and time frames the hospital facility (or other authorized party) uses in taking those actions (including, but not limited to, the reasonable efforts it will make to determine whether an individual is FAP-eligible before engaging in ECAs); and
- The office, department, committee, or other body with the final authority or responsibility for determining that the hospital facility has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual.

## Schedule D. Section 509(a)(3) Supporting Organizations

Supporting organizations are described in section 509(a)(3). The term "supported organization" refers to an organization that a supporting organization benefits. A supporting organization may support more than one supported organization.

An organization qualifies as a supporting organization (for purposes of classification under section 509(a)(3)) if:

- It is organized and at all times thereafter is operated exclusively for the benefit of, to perform the function of, or to carry out the purposes of one or more public charities described in section 509(a)(1) or 509(a)(2);

- It meets one of three required relationship tests with the supported organization(s); and
- It isn't **controlled by "disqualified persons,"** directly or indirectly. See Appendix C for a definition of a "disqualified person."

A supporting organization can also support the charitable purposes of organizations that are exempt under sections 501(c)(4), (5), or (6).

### Specific Line Items

**Line 1.** List the name, address, and EIN of each organization you support.

**Line 2.** Answer "Yes," if each supported organization has a letter from the IRS recognizing it as a public charity under section 509(a)(1) or 509(a)(2).

**TIP** Before you file your application, use Tax Exempt Organization Search on IRS.gov to confirm whether each of your supported organizations is currently recognized as exempt and is classified as a public charity.

**Line 2a.** Answer "Yes," if any supported organization you listed on line 1 received a letter from the IRS stating that it's exempt under sections 501(c)(4), (5), or (6) and meets the public support test under section 509(a)(2). See Pub. 557 for information on the public support test for section 509(a)(2).

If you answer "No," describe how each organization you support is a public charity under section 509(a)(1) or 509(a)(2). For example, if you support a church or foreign organization that hasn't received a determination letter recognizing it as a public charity, you should describe how this organization qualifies as a public charity under section 509(a)(1) or 509(a)(2). See Pub. 557 for information on public charities under sections 509(a)(1) and 509(a)(2).

**Line 3. Relationship test.** To qualify under section 509(a)(3), you must show that you meet one of three relationship tests with your supported organization(s). Select the option that best describes your relationship with your supported organization(s).

- **Type I ("operated, supervised, or controlled by" relationship;** comparable to a parent–subsidiary relationship): A majority of your governing board or officers are elected or appointed by the governing body, members of the governing body, officers acting in their official capacity, or the membership of your supported organization(s).
- **Type II ("supervised or controlled in connection with" relationship;** comparable to a brother–sister relationship): Your control or management

is vested in the same persons who control or manage your supported organization(s).

- **Type III ("operated in connection with" relationship;** responsive to the needs or demands of, and having significant involvement in the affairs of, the supported organization(s)): One or more of your officers, directors, or trustees are elected or appointed by the officers, directors, trustees, or membership of your supported organization(s); one or more of your officers, directors, trustees, or other important office holders are also members of the governing body of your supported organization(s); or your officers, directors, or trustees maintain a close and continuous working relationship with the officers, directors, or trustees of your supported organization(s).

**TIP** If you don't meet one of these three relationship tests, you aren't described in section 509(a)(3) and should review the other foundation classification options in Part VII, line 1.

**Line 4.** Describe how your governing board and officers are selected, including where (if applicable) this information is in your governing document, bylaws, or other internal rules and regulations.

Type III organizations must also describe how your officers, directors, or trustees maintain a close and continuing relationship with the officers, directors, or trustees of your supported organization(s).

**Line 5. Prohibited control by disqualified person.** You can't be described in section 509(a)(3) if you're directly or indirectly **controlled by disqualified persons.** You are controlled if disqualified persons:

- Can exercise 50% or more of the total voting power of your governing body;
- Have authority to affect significant decisions, such as power over your investment decisions, or power over your charitable disbursement decisions; or
- Can exercise veto power over your actions.

Although control is generally demonstrated where disqualified persons have the authority over your governing body to require you to take an action or refrain from taking an action, indirect control by disqualified persons will also disqualify you as a supporting organization.


See Appendix C for a description of the terms "disqualified person," "family," "foundation manager," and "business relationship."

**TIP** Public charities and foundation managers who otherwise are disqualified persons only because they are foundation managers aren't disqualified persons for this purpose.

**Line 7. Organizational test.** If you answered “No,” you are a Type III supporting organization, you must amend your **organizing document** to specify your supported organization(s) by name; or you won’t meet the organizational test under section 509(a)(3) and need to reconsider your requested public charity classification in Part VII, line 1.

**Line 7a.** If you answered “No,” you won’t meet the organizational test under section 509(a)(3) unless you amend your organizing document to specify your supported organization(s) by name, purpose, or class, and need to reconsider your requested public charity classification in Part VII, line 1.

**Line 8.** When responding to this question, don’t include donors that are section 509(a)(1), (2), or (4) organizations.

 *This prohibition on contributions from controlling donors only applies to Type I and Type III supporting organizations.*

**Line 9. Type III responsiveness test.** Answer “Yes,” if, because of your relationship described in line 3, the supported organization has a significant involvement in your investment policies, making and timing of grants, and directing the use of your income and assets, and explain how your supported organization is involved in these matters.

**Line 10. Type III notification requirement.** A Type III supporting organization must provide the notice described in this question. If you’re a Type III supporting organization, you’ll be required to answer this question annually on your annual information return (Schedule A of Form 990 or 990-EZ).

**Lines 11–13. Type III integral part test.** An organization seeking classification as a Type III supporting organization must meet an integral part test, which is satisfied by maintaining significant involvement in the operations of one or more supported organizations and providing support on which the supported organization(s) are dependent. A Type III supporting organization may be functionally integrated (lines 11–12) or non-functionally integrated (lines 13 and 13a–c) depending on the manner in which it meets the integral part test. Functionally integrated Type III supporting organizations are subject to fewer restrictions and requirements than non-functionally integrated Type III supporting organizations.

**Line 11.** Answer “Yes,” if you’re the parent of all your supported organizations because you:

1. Have the power to appoint or elect, directly or indirectly, a majority of the

officers, directors, or trustees of each supported organization; and


2. Exercise a substantial degree of direction over the policies, programs, and activities of each supported organization.

For example, N, an organization described in section 501(c)(3), is the parent organization of a healthcare system consisting of two hospitals (Q and R) and an outpatient clinic (S), each of which is described in section 509(a)(1), and a taxable subsidiary (T). N is the sole member of each of Q, R, and S. Under the charter and bylaws of each of Q, R, and S, N appoints all members of the board of directors of each corporation. N engages in the overall coordination and supervision of the healthcare system’s exempt subsidiary corporations Q, R, and S in approval of their budgets, strategic planning, marketing, resource allocation, securing tax-exempt bond financing, and community education. N also manages and invests assets that serve as endowments of Q, R, and S.

**Line 12.** Answer “Yes,” if you conduct activities that the supported organization would otherwise need to conduct in furtherance of its exempt purposes and describe the activities that you conduct.

Holding title to and managing assets that are used (or held for use) directly in carrying out the exempt purposes of your supported organization (exempt-use assets) are activities that directly further the exempt purposes of your supported organization. Conversely, with certain exceptions, fundraising, making grants (whether to the supported organization or to third parties), and investing and managing non-exempt-use assets aren’t activities that directly further the exempt purposes of the supported organization. See Regulations section 1.509(a)-4(i)(4) (ii) for more information.

**Line 13.** To satisfy the integral part test as a non-functionally integrated supporting organization, you must distribute at least 85% of your annual **net income** or 3.5% of the aggregate **fair market value** of all of your non-exempt-use assets (whichever is greater) to your supported organization(s). You can use Part V of Schedule A (Form 990 or 990-EZ) to help determine your answer to this question.

 *The distributable amount for the first tax year an organization is treated as a non-functionally integrated Type III supporting organization is zero.*

For purposes of this line, “net income” has the same meaning as the term “**adjusted net income**.” In general, “adjusted net income” is the excess of gross income, including gross income from any unrelated trade or business, determined with certain

modifications, reduced by total deductions. Gross income doesn’t include gifts, grants, or contributions. See Appendix C.

For purposes of this line, “non-exempt-use assets” are all assets of the supporting organization other than:

1. Assets described in Regulations section 53.4942(a)(2)(c)(2)(i) through (iv), and

2. Exempt-use assets, which are assets that are used (or held for use) directly in carrying out the exempt purposes of your supported organization. See Regulations section 1.509(a)-4(i)(8) for more information.

**Line 13a.** List the total amount you distribute(d) annually to each supported organization. Also, indicate how each amount will vary from year to year.

**Line 13b.** List the total annual income for each supported organization. If you distribute your income to, or for the use of, a particular department or program of an organization, list the annual revenue of the supported department or program.

**Line 13c.** Answer “Yes,” if your funds are “**earmarked**” for a particular program or activity conducted by your supported organization.

## Schedule E. Effective Date

The questions in this schedule will help us determine the effective date of exemption if you’re either seeking reinstatement after automatic revocation or you’re filing this application more than 27 months after the end of the month in which you were legally formed.

### Specific Line Items

**Line 1.** Answer “Yes,” if your exempt status was automatically revoked under section 6033(j)(1) for failure to file required annual returns or notices for 3 consecutive years and you’re applying for reinstatement.

Rev. Proc. 2014-11, 2014-3 I.R.B. 411, at [IRS.gov/irb/2014-03\\_IRB](http://IRS.gov/irb/2014-03_IRB) establishes several different procedures for reinstating an organization’s exempt status depending upon its size, the number of times it’s been automatically revoked, and the timeliness of filing for reinstatement. Review the revenue procedure to determine which section applies to you.

**Line 1a.** Select the section of Rev. Proc. 2014-11 under which you’re applying for reinstatement.

**Section 4.** Select this section if:

- You were eligible to file either Form 990-EZ or Form 990-N for each of the 3 consecutive years that you failed to file;

- This is the first time you've been automatically revoked pursuant to section 6033(j)(1); and
- You're submitting this application no later than 15 months after the later of the date of your Revocation Letter or the date on which the IRS posted your name on the Auto-Revocation List at [apps.irs.gov/app/eos/](https://apps.irs.gov/app/eos/).

By selecting this item, you're also attesting that your failure to file wasn't intentional and you've put in place procedures to file required returns or notices in the future.

**TIP** *If you were classified as a **private foundation** prior to your automatic revocation, you weren't eligible to file either Form 990-EZ or Form 990-N and, therefore, aren't eligible to request reinstatement under Section 4.*

**CAUTION** *If your exempt status was automatically revoked more than once, you're not eligible for reinstatement under Section 4; however, you may apply for reinstatement under Section 5, Section 6, or Section 7.*

**Section 5.** Select this section if:

- You're ineligible to file for reinstatement under Section 4, and
- You're submitting this application not later than 15 months after the later of the date of your Revocation Letter or the date on which the IRS posted your name on the Auto-Revocation List at [apps.irs.gov/app/eos/](https://apps.irs.gov/app/eos/).

By selecting this item, you're also attesting that you filed the required annual returns, your failure to file was not intentional, and you have put in place procedures to file required returns or notices in the future.

Describe how you exercised ordinary business care and prudence in determining and attempting to comply with your filing requirements in at least 1 of the 3 years of revocation. Include a detailed explanation of all the facts and circumstances that led to the failure, the discovery of the failure, and the steps you have taken or will take to avoid or to mitigate future failures to file timely returns or notices.

**Section 6.** Select this section if you are applying for reinstatement of your tax-exempt status more than 15 months from the later of the date of the Revocation Letter or the date on which the IRS posted your name on the Auto-Revocation List at [apps.irs.gov/app/eos/](https://apps.irs.gov/app/eos/).

By selecting this item, you're also attesting that you filed the required annual returns, your failure to file wasn't intentional, and you have put in place procedures to file required returns or notices in the future.

Describe how you exercised ordinary business care and prudence in determining and attempting to comply with your filing requirements in each of the 3 years of revocation. Include a detailed explanation of all the facts and circumstances that led to the failure, the discovery of the failure, and the steps you have taken or will take to avoid or mitigate future failures to file timely returns or notices.

**Section 7.** Select this section if you're seeking reinstatement with an effective date of reinstatement of the date of submission of this application.

**Line 2.** Generally, if you didn't file Form 1023 within 27 months of formation, the effective date of your exempt status will be the date you filed Form 1023 (submission date). We may grant requests for an earlier effective date when there's evidence to establish you acted reasonably and in good faith, and the grant of relief won't prejudice the interests of the government.

Select the appropriate box to indicate whether you accept the submission date as the effective date of your exempt status or whether you are requesting an earlier effective date.

**Line 2a.** You may be eligible for consideration for relief from the requirement that you file Form 1023 within 27 months of formation if you can establish that you acted reasonably and in good faith, and that granting an extension won't prejudice the interests of the government.

Describe in detail your reasons for filing late, how you discovered your failure to file, any reliance on professional advice or advice from the IRS, and any other information you believe will support your request for relief. Also, you may want to provide a comparison of (1) what your aggregate tax liability would be if you had filed this application within the 27-month period with (2) what your aggregate liability would be if you were exempt as of your formation date.

We may consider the following factors.

- You filed Form 1023 before we discovered your failure to file.
- You failed to file because of intervening events beyond your control.
- You exercised reasonable diligence, but you weren't aware of the filing requirements. (The complexity of your filing and experience in these matters may be taken into consideration.)
- You reasonably relied on written advice from us.
- You reasonably relied on the advice of a qualified tax professional who failed to file or advise you to file Form 1023.

## Schedule F. Low-Income Housing

To qualify for tax exemption, **low-income housing** must provide affordable housing for a significant segment of individuals in your **community** with low incomes. Your low-income housing may serve a combination of purposes, such as for poor, frail, and elderly persons.

### Specific Line Items

**Line 1.** The "type" of facility may be an apartment complex, condominium, cooperative, or private residence, etc.

**Line 6.** Answer "Yes," if you charge daily, weekly, monthly, or annual fees or maintenance charges.

**Line 8.** Government programs include federal, state, or local government programs.

## Schedule G. Successors to Other Organizations

You should consider this schedule as a **successor** organization if any of the following situations pertain to you.

- You took or will take over activities previously conducted by another organization.
- You took or will take over 25% or more of the **fair market value** of the net assets of another organization.
- You were established upon the conversion of an organization from **for-profit** to non-profit status.

The other organization is the **predecessor** organization. You should complete this schedule regardless of whether the predecessor (other organization) was exempt or not exempt from federal income tax.

For purposes of this schedule, a "**for-profit**" organization is one in which persons are permitted to have an ownership or partnership interest, such as corporate stock. It includes sole proprietorships, corporations, and other entities that provide for ownership interests.

## Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures

Complete this schedule if you provide scholarships, fellowships, grants, loans, or

other distributions to individuals for educational purposes. When answering the questions on this schedule, you should demonstrate how these distributions further your exempt purposes.



*If you're a private foundation, you're subject to the rules under section 4945 and may incur an excise tax if you make grants for the purpose described above without seeking advance approval of your grant-making procedures (see Schedule H–Section II).*

Generally, distributions made to individuals may advance educational purposes if selection is made:

- In a non-discriminatory fashion in terms of racial preference;
- Based on need and/or merit; and
- To a charitable class in terms of being available to an open-ended group, rather than to pre-selected individuals.

A scholarship or fellowship is tax free to the recipient only if he or she is a candidate for a degree at an eligible educational institution and uses the scholarship or fellowship to pay qualified education expenses.

Qualified education expenses include tuition and fees; and course-related expenses such as books, supplies, and equipment. Room and board, travel, research, clerical help, and non-required equipment aren't qualified education expenses. See Pub. 970, Tax Benefits for Education, for additional information.

Selection of individuals using a lottery system generally hasn't been approved by the IRS.

Specific Line Items

## Section I

**Line 1.** If you conduct more than one grant program, describe each program separately.

If you make educational loans, describe the terms of the loan (for example, the factors you consider in selecting or approving loan recipients, interest rate, duration, forgiveness provision, etc.). Also, describe whether any financial institutions or other lenders are involved in your program.

Explain how you will publicize your program and whether you publicize to the general public or to another group of possible recipients. Include specific information about the geographic area in which your program will be publicized and the means you will use, such as through newspaper advertisements, school district announcements, or community groups.

**Line 2.** Organizations that make grants to individuals must maintain adequate records and case histories showing the name and address of each recipient, pursuant Rev. Rul. 56-304, 1956-2 C.B. 306 but don't provide this information as part of your application.

## Section II

If you requested public charity classification in Part VII, line 1, don't complete Schedule H – Section II.

**Line 1.** Answer "Yes," if you're a **private foundation** and you're requesting advance approval of your grant-making procedures under section 4945(g). Answer "No," if you're a private foundation but don't wish to request advance approval of your grant-making procedures under section 4945(g). If you answer "No" the amounts you distribute as educational grants provided to individuals may be considered taxable expenditures under section 4945.

For more information about advance approval of grant-making procedures of a private foundation, go to [IRS.gov](https://www.irs.gov)

[charities-non-profit/private-foundations/advance-approval-of-grant-making-procedures.](#)

**Line 1a.** Check the box for section "4945(g)(1)" if your award qualifies as a scholarship or fellowship grant that's awarded on an objective and nondiscriminatory basis and is used for study at a school (see Schedule B for what is considered a school).

Check the box for "4945(g)(3)" if the purpose of your award is to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the recipient. Include your educational loan program under this section.

You may check more than one box.



*If your award qualifies as a prize or award that is subject to the provisions of section 74(b) and your recipient is selected from the general public, you don't have to request advance approval of your grant-making procedures since a prize or award isn't subject to the advance approval procedure requirements because it isn't a grant for travel, study, or other similar purposes. See Rev. Ruls. 77-380, 1977-2 C.B. 419; 76-460, 1976-2 C.B. 371; and 75-393, 1975-2 C.B. 451.*

**Line 4.** Answer "Yes," if you award scholarships on a preferential basis because you require, as an initial qualification, that the individual be an employee or be **related** to an employee of a particular employer.

**Line 7.** For purposes of this schedule, a program for children of employees of a particular employer includes children and **family** members of employees.

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**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, certain returns and return information of tax exempt organizations and trusts are subject to public disclosure and inspection, as provided by section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for tax exempt organizations filing this form is approved under OMB control number 1545-0047 and is included in the estimates shown in the instructions for their information return.

**Comments and suggestions.** If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to:

Internal Revenue Service  
Tax Forms and Publications Division  
1111 Constitution Ave. NW, IR-6526  
Washington, DC 20224

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## Appendix A: Sample Conflict of Interest Policy

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**Note.** This Sample Conflict of Interest Policy is intended to provide an example of a conflict of interest policy for organizations. The sample conflict of interest policy does not prescribe any specific requirements. Therefore, organizations should use a conflict of interest policy that best fits their organization.

**Note.** Items marked *Hospital insert — for hospitals that complete Schedule C* are intended to be adopted by hospitals.

### Article I

#### Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### Article II

#### Definitions

**1. Interested Person** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

[**Hospital insert – for hospitals that complete Schedule C.** If a person is an interested person with respect to any entity in the health care system of which the organization is a part, he or she is an interested person with respect to all entities in the health care system.]

**2. Financial Interest** A person has a financial interest if the person has, directly or

indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
- d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Article III

#### Procedures

**1. Duty to Disclose** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

**2. Determining Whether a Conflict of Interest Exists** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a

conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### 4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### Article IV

#### Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## Article V

### Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is

prohibited from providing information to any committee regarding compensation.

**[Hospital insert-for hospitals that complete Schedule C** Physicians who receive compensation from the Organization, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.]

### Article VI

#### Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,

- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

### Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

## Article VIII

### Use of Outside Experts

When conducting the periodic reviews, as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **Appendix B: States With Statutory Provisions Satisfying the Requirements of Internal Revenue Code Section 508(e)**

The following states have adopted legislation satisfying the requirements of Section 508(e) relating to private foundation governing instruments. Information derived from Revenue Ruling 75-38, 1975-1 C.B. 161.

**ALABAMA** — except where otherwise provided by a decree of a court of competent jurisdiction or by a provision in the private foundation's governing instrument, which in either case has been entered or made after October 1, 1971, and expressly limits the applicability of state law.

**ALASKA** — except for such private foundations that expressly provide in their governing instruments that the applicable sections of Alaska law don't apply to them.

**ARKANSAS** — except for such private foundations which expressly provide in their governing instruments that the applicable sections of Arkansas law don't apply to them and except in the case of trusts where otherwise provided by decree of a court of competent jurisdiction.

**CALIFORNIA** — except where otherwise provided by a court of competent jurisdiction.

**COLORADO** — with respect to trusts that are private foundations except where otherwise provided by a court of competent jurisdiction.

**CONNECTICUT** — except where otherwise provided by a court of competent jurisdiction.

**DELAWARE** — except for such private foundations, which expressly provide in their governing instruments that the applicable sections of Delaware law don't apply to them.

**DISTRICT OF COLUMBIA** — except for such corporations, which expressly provide in their governing instruments that the applicable sections of District of Columbia law don't apply to them and except in the case of trusts where otherwise provided by a court of competent jurisdiction. (For purposes of this statute, corporations include corporations organized under any Act of Congress applicable to the District of Columbia as well as corporations organized under the laws of the District of Columbia.)

**FLORIDA** — except for such trusts that file a proper election not to be subject to the applicable provisions of Florida law and for such corporations as to which a court of competent jurisdiction has otherwise determined.

**GEORGIA** — except for such private foundations that file a proper election not to be subject to such law.

**HAWAII** — no exceptions.

**IDAHO** — except for such private foundations that expressly provide in their governing instruments that the applicable sections of Idaho law don't apply to them.

**ILLINOIS** — except for such corporations that have express provisions to the contrary in their articles of incorporation and except for trusts where it is otherwise provided by a court of competent jurisdiction.

**INDIANA** — except where otherwise determined by a court of competent jurisdiction with respect to private foundations organized before January 1, 1970.

**IOWA** — except for such private foundations which expressly provide in their governing instruments that the applicable sections of Iowa law don't apply to them.

**KANSAS** — except where otherwise provided by a court of competent jurisdiction.

**KENTUCKY** — except, with respect to corporations in existence on July 1, 1972, to the extent that such a corporation provides to the contrary by amendment to its articles of incorporation adopted after July 1, 1972, and, with respect to trusts in existence on July 1, 1972, where action is properly commenced on or before December 31, 1972, in a court of competent jurisdiction to excuse the trust from compliance with the requirements of section 508(e) of the Code.

**LOUISIANA** — except for such private foundations that expressly provide in their governing instruments that the applicable sections of Louisiana law don't apply to them.

**MAINE** — except where otherwise provided by a court of competent jurisdiction.

**MARYLAND** — except where otherwise provided by a court of competent jurisdiction.

**MASSACHUSETTS** — except where otherwise provided by a court of competent jurisdiction.

**MICHIGAN** — with respect to trusts that are private foundations except for such private foundations which file a notice of inconsistency under Michigan law.

MINNESOTA — except for private foundations that have been held by a court of competent jurisdiction not to be affected by such state statute.

MISSISSIPPI — except where otherwise provided by a court of competent jurisdiction.

MISSOURI — except for private foundations that have been held by a court of competent jurisdiction not to be affected by such state statute.

MONTANA — except in the case of trusts where otherwise provided by court decree entered after March 28, 1974, and except in the case of a corporation that has an express provision to the contrary in its articles of incorporation.

NEBRASKA — except for such trusts that effectively elect to be excluded from the applicable sections of Nebraska law, for such corporations which have governing instruments expressly providing to the contrary, and except as a court of competent jurisdiction has otherwise determined in any given case.

NEVADA — no exceptions.

NEW HAMPSHIRE — except where it is otherwise provided by a court of competent jurisdiction.

NEW JERSEY — except for such private foundations that expressly provide in their governing instruments that the applicable sections of New Jersey law don't apply to them.

NEW YORK — except where such law conflicts with any mandatory direction of an instrument by which assets were transferred prior to June 1, 1971, and such conflicting direction hasn't been removed legally.

NORTH CAROLINA — except for such private foundations which expressly provide in their governing instruments that the applicable sections of North Carolina law don't apply to them and except for trusts that have their governing instruments reformed by a decree of the Superior Court of North Carolina.

NORTH DAKOTA — with respect to trusts that are private foundations except where otherwise provided by a court of competent jurisdiction.

OHIO — except in the case of trusts where it is provided otherwise by a court of competent jurisdiction and except in the case of corporations in existence on September 17, 1971, which expressly adopt contrary provisions in their governing instruments after September 17, 1971.

OKLAHOMA — except for such private foundations that file a proper election not to be subject to such law.

OREGON — no exceptions.

PENNSYLVANIA — except where otherwise provided by a court of competent jurisdiction.

RHODE ISLAND — except where otherwise provided by a court of competent jurisdiction.

SOUTH CAROLINA — except for private foundations that expressly provide in their governing instruments that the applicable sections of South Carolina law don't apply to them.

SOUTH DAKOTA — except where otherwise provided by a court of competent jurisdiction.

TENNESSEE — except where otherwise provided by a court of competent jurisdiction.

TEXAS — except for such private foundations that a proper election not to be subject to such law.

UTAH — with respect to trusts that are private foundations except where otherwise provided by a court of competent jurisdiction.

VERMONT — except where otherwise provided by a court of competent jurisdiction.

VIRGINIA — except for private foundations whose governing instruments contain express provisions to the contrary or that have filed a proper election not to be subject to such law.

WASHINGTON — except for such private foundations that expressly provide in their governing instruments that the applicable sections of Washington law don't apply to them.

WEST VIRGINIA — with respect to trusts that are private foundations except for such trusts which provide in their governing instruments that the applicable sections of West Virginia law don't apply to them.

WISCONSIN — except as may otherwise be provided by decree of a court of competent jurisdiction.

WYOMING — except where otherwise provided by a court of competent jurisdiction.

## Appendix C: Glossary of Terms

**Adjusted net income (for Schedule D)** Adjusted net income includes: gross income from any unrelated trade or business; gross income from functionally related businesses; interest payments received on loans; amounts received or accrued as repayments of amounts taken as qualifying distributions for any tax year; amounts received or accrued from the sale or other disposition of property to the extent acquisition of the property was treated as a qualifying distribution for any tax year; any amounts set aside for a specific project to the extent the full set-aside was not necessary for the project; interest on government obligations normally excluded under section 103; net short-term capital gains on sale or other disposition of property; and income received from an estate if the estate is considered terminated for income tax purposes because of a prolonged administration period.

It doesn't include: gifts, grants, and contributions received; long-term capital gains or losses; net section 1231 gains; capital gain dividends; the excess of fair market value over adjusted basis of property distributed to the U.S. or a possession or political subdivision, a state or its political subdivision, a charitable trust, or corporation for public purposes; or income received from an estate during the administration period.

In computing adjusted net income, deduct the following: ordinary and necessary expenses paid or incurred for the production or collection of gross income, or for the management, conservation, or collection of gross income (includes operating expenses such as compensation of officers, employee wages and salaries, interest, rent, and taxes); straight-line depreciation and depletion (not percentage depletion); and expenses and interest paid or incurred to carry tax-exempt obligations. Don't deduct net short-term capital losses for the year in which they occur (these losses cannot be carried back or carried over to earlier or later tax years); the excess of expenses for property used for exempt purposes over the income received from the property; charitable contributions made by you; net operating losses; and special deductions for corporations.

### **Arm's length**

A transaction between parties having adverse (or opposing) interests where none of the participants are in a position to exercise substantial influence over the transaction because of business or family relationship(s) with more than one of the parties.

### **Authorized representative**

An individual eligible to practice before the IRS who holds a power of attorney (Form 2848 or other similar documents) that authorizes him or her to represent the organizations in tax matters, including the application for tax-exempt status.

### **Bingo**

A game of chance played with cards that are generally printed with 5 rows of 5 squares each, on which participants place markers to form a pre-selected pattern to win the game. Bingo is gambling.

### **Business relationship**

Employment and contractual relationships, and common ownership of a business where any officers, directors, or trustees, individually or together, possess more than a 35% ownership interest in common. Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

### **Bylaws**

The internal rules and regulations of an organization.

<b>Certification of filing</b>	Evidence that, on a specific date, articles of incorporation (for a corporation) or articles of organization (for a limited liability company) were accepted for filing by appropriate state authority resulting in the creation of a state-law entity.
<b>Community</b>	The local or regional geographic area to be served by an organization.
<b>Compensation</b>	All forms of income from working, including salary or wages; deferred compensation; retirement benefits, whether in the form of a qualified or non-qualified employee plan (for example, pensions or annuities); fringe benefits (for example, personal vehicle, meals, lodging, personal and family educational benefits, low interest-loans, payment of personal travel, entertainment, or other expenses, athletic or country club membership, and personal use of your property); and bonuses.
<b>Conflict of interest policy</b>	A set of procedures to identify potential conflicts of interest and to reduce the likelihood that persons in a position of authority over an organization may use that authority to receive an inappropriate benefit. A conflict of interest may arise when a person in a position of authority over an organization, such as a director, officer, or manager, may benefit personally from a decision he or she could make.
<b>Controlled by disqualified persons</b>	See the definition of a <b>disqualified person</b> below. A section 509(a)(3) supporting organization, may not be controlled directly or indirectly by disqualified persons (other than the organization's officers, directors or trustees). An organization is controlled by disqualified persons if disqualified persons can exercise 50% or more of the total voting power held by the organization's governing body. For this purpose, controlled includes the authority to affect significant decisions, such as power over investment decisions, or charitable disbursement decisions, as well as the power to veto such decision. Control may be direct or indirect.
<b>Corporation</b>	An entity organized under a federal or state corporation law (including the statutes of a federally recognized Indian tribal or Alaskan native government).
<b>Develop</b>	The planning, financing, construction, or provision of similar services involved in the acquisition of real property, such as land or a building.

<b>Disqualified person</b>	<p>Any individual or organization that is any of the following relationships.</p> <ul style="list-style-type: none"> <li><b>a.</b> A substantial contributor to you (see <i>Substantial contributor</i>).</li> <li><b>b.</b> An officer, director, trustee, or any other individual who has similar powers or responsibilities.</li> <li><b>c.</b> An individual who owns more than 20% of the total combined voting power of a corporation that is a substantial contributor to you.</li> <li><b>d.</b> An individual who owns more than 20% of the profits interest of a partnership that is a substantial contributor to you.</li> <li><b>e.</b> An individual who owns more than 20% of the beneficial interest of a trust or estate that is a substantial contributor to you.</li> <li><b>f.</b> A member of the family of any individual described in a, b, c, d, or e above.</li> <li><b>g.</b> A corporation in which any individuals described in a, b, c, d, e, or f above hold more than 35% of the total combined voting power.</li> <li><b>h.</b> A trust or estate in which any individuals described in a, b, c, d, e, or f above hold more than 35% of the beneficial interests.</li> <li><b>i.</b> A partnership in which any individuals described a, b, c, d, e, or f above hold more than 35% of the profits interest.</li> </ul>
<b>Earmark</b>	Donations or other contributions given to an organization on the condition or understanding that they will be used to assist particular individuals or specific identified groups.
<b>Expenses</b>	Financial burdens or outlays, costs (of doing business), and business outlays chargeable against revenues. For purposes of this form, expenses mean direct and indirect expenses.
<b>Fair market value</b>	The price at which property, or the right to use property, would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy, sell, or transfer property or the right to use property, and both having reasonable knowledge of relevant facts.
<b>Family</b>	Includes an individual's spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great-grandchildren, and siblings.
<b>Foreign country</b>	A country other than the United States, its territories and possessions, and the District of Columbia.
<b>For-profit</b>	A business entity whose activities are conducted or maintained to make a profit (for example, revenues greater than expenses) for its private shareholders or owners.
<b>Foundation manager</b>	Officers, directors, or trustees, or an individual having powers or responsibilities similar to those of a foundation's officers, directors, or trustees.

<b>Fundraising</b>	The organized activity of raising funds, whether by volunteers, employees, or paid independent contractors.
<b>Gaming</b>	The term gaming includes activities such as Bingo, Beano, lotteries, pull-tabs, pari-mutuel betting, Calcutta wagering, pickle jars, punch boards, tip boards, tip jars, certain video games, 21, raffles, keno, split-the-pot, and other games of chance.
<b>Gross investment income</b>	As defined in section 509, gross investment income means the gross amount of income from interest, dividends, payments with respect to securities loans, rents, and royalties; but not including any such income to the extent included in computing the tax imposed by section 511.
<b>Gross receipts</b>	For purposes of <i>Part VI-A. Statement of Revenues and Expenses</i> , gross receipts include monies earned from activities related to an organization's charitable or other section 501(c)(3) activities, such as selling admissions or merchandise, performing services, or furnishing facilities.
<b>Hospital</b>	<p>Hospital or medical care includes the treatment of any physical or mental disability or condition, whether on an inpatient or outpatient basis. A hospital includes the following.</p> <ul style="list-style-type: none"> <li><b>a.</b> Hospitals and rehabilitation institutions, outpatient clinics, or community mental health or drug treatment centers if the principal purpose or function is the providing of medical or hospital care or medical education or research.</li> <li><b>b.</b> Medical research organizations, if the principal purpose or function is the continuous active conduct of medical research in conjunction with a hospital.</li> </ul>
<b>Influence legislation</b>	The act of directly contacting or urging the public to contact members of a legislative body for the purpose of proposing, supporting, or opposing legislation. Attempting to influence legislation includes advocating the adoption or rejection of legislation.
<b>Intellectual property</b>	<p>A type of property (distinct from real or personal property) including the following.</p> <ul style="list-style-type: none"> <li><b>a.</b> Patents (for inventions).</li> <li><b>b.</b> Copyrights (for literary and artistic works such as novels, poems, plays, films, musical works, drawings, paintings, photographs, sculptures, architectural designs, performances, recordings, film, and radio or television programs).</li> <li><b>c.</b> Trade names, trademarks, and service marks (for symbols, names, images, and designs).</li> <li><b>d.</b> Formulas, know-how, and trade secrets.</li> </ul>
<b>Joint venture</b>	A legal agreement in which the parties jointly undertake a transaction for mutual profit. Generally, each person contributes assets and shares risks. Like a partnership, joint ventures can involve any type of business transaction and the "persons" involved can be individuals, groups of individuals, companies, or corporations.



<b>Limited liability company</b>	A limited liability company (LLC) is a business entity organized in the United States under state law. Generally, an LLC may be classified for federal income tax purposes as a partnership, corporation, or an entity disregarded as separate from its owner by applying the rules in Regulation section 301.7701-3. However, an LLC that has been determined to be, or claims to be, exempt from taxation under section 501(a) is treated as having made an election to be classified as a corporation under Regulation section 301.7701-3(c)(1)(v).
<b>Low-income housing</b>	Rental or ownership housing provided to persons based on financial need.
<b>Mailing address</b>	Address where correspondence is received.
<b>Manage</b>	Manage means to direct or administer.
<b>Medical care</b>	The treatment of any physical or mental disability or condition, whether on an inpatient or outpatient basis.
<b>Medical research organization</b>	An organization whose principal purpose or function is the continuous active conduct of medical research in conjunction with a hospital.
<b>Net income (for Schedule D)</b>	See <i>Adjusted net income</i> .
<b>Non-fixed payment</b>	A non-fixed payment means a payment that depends on discretion. For example, a bonus of up to \$100,000 that is based on an evaluation of performance by the governing board is a non-fixed payment because the governing body has discretion over whether the bonus is paid and the amount of the bonus.
<b>Organizing document</b>	The organizing document depends on the form of the organization. For a corporation, the document is the articles of incorporation. For an LLC, the document is the articles of organization. For an unincorporated association, the document is the articles of association or constitution. The organizing document of a trust is the trust agreement.
<b>Political campaign intervention</b>	An organization participates in a political campaign, if it promotes or opposes, through political literature, brochures, pamphlets, hosting or participating in events, etc., the candidacy of an individual for public office. Debates and nonpartisan voter education aren't considered political.
<b>Predecessor</b>	An organization whose activities or assets were taken over by another organization.
<b>Private foundation</b>	An organization that is exempt under section 501(c)(3) is a private foundation unless it is a church, school, hospital, governmental unit, entity that undertakes testing for public safety, organization that has broad financial support from the general public, or organization that supports one or more other organizations that are themselves classified as public charities.
<b>Private operating foundation</b>	A type of private foundation that makes qualifying distributions directly for the active conduct of its educational, charitable, and religious purposes. "Directly for the active conduct" means that the distributions are used by the foundation itself to carry out the programs for which it is organized and operated. Grants made to assist other organizations or individuals are normally considered indirect.

<b>Public charity</b>	An organization that is exempt under section 501(c)(3) is excepted from private foundation status because it is described in section 509(a)(1) (which cross references sections 170(b)(1)(i) through (vi), and (ix)), 509(a)(2), 509(a)(3), or 509(a)(4).
<b>Reasonable compensation</b>	Reasonable compensation is the amount that would ordinarily be paid for like services by like organizations under like circumstances as of the date the compensation arrangement is made. Reasonable compensation is important because excessive benefits in the form of compensation to disqualified persons may result in the imposition of excise taxes and jeopardize the organization's tax-exempt status.
<b>Related</b>	The family or business relationships between persons.
<b>Relationship</b>	A relationship may exist between one organization and another in the following situations. <ul style="list-style-type: none"> <li><b>a.</b> One organization controls the other through common officers, directors, or trustees, or through authority to approve budgets or expenditures.</li> <li><b>b.</b> Both organizations were created at approximately the same time and by the same persons.</li> <li><b>c.</b> The organizations operate in a coordinated manner with respect to facilities, programs, employees, or other activities.</li> <li><b>d.</b> The same persons exercise substantial influence over both organizations.</li> </ul>
<b>Revenue</b>	Revenue means gross revenue amounts.
<b>Revenue Procedure</b>	An official statement of a procedure published in the IRS Internal Revenue Bulletin (previously the Cumulative Bulletin) that either affects the rights or duties of taxpayers or other members of the public under the Internal Revenue Code and related statutes, treaties, and regulations or, although not necessarily affecting the rights and duties of the public, should be a matter of public knowledge.
<b>Revenue Ruling</b>	An official interpretation by the IRS of the Internal Revenue laws and related statutes, treaties, and regulations, that has been published in the IRS Internal Revenue Bulletin (previously the Cumulative Bulletin). Revenue Rulings are issued only by the Office of Associate Chief Counsel and are published for the information and guidance of taxpayers, IRS officials, and others concerned.

<b>School</b>	<p>A school is an educational organization whose primary function is the presentation of formal instruction and that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. A school may include the following.</p> <ul style="list-style-type: none"> <li>a. Primary, secondary, preparatory, or high school.</li> <li>b. College or university.</li> <li>c. Trade or technical school.</li> <li>d. Nursery or preschool.</li> <li>e. School that you operate as an activity, such as school that is operated as an activity of a museum, historical society, or church.</li> </ul>
<b>Similarly situated</b>	<p>Similarly situated organizations means tax-exempt or taxable organizations of a comparable size, purpose, and resources.</p>
<b>Substantial contributor</b>	<p>An individual or organization that contributed more than \$5,000 to an organization from the date it was formed or other date that its exemption would be effective, to the end of the year in which the contributions were received. This total amount contributed must also be more than 2% of all the contributions the organization received. A creator of a trust is treated as a substantial contributor regardless of the amount contributed.</p>
<b>Successor</b>	<p>An organization that took over:</p> <ul style="list-style-type: none"> <li>a. More than a negligible amount of the activities that were previously conducted by another organization,</li> <li>b. 25% or more of the fair market value of the net assets of another organization, or</li> <li>c. Was established upon the conversion of an organization from for-profit to non-profit status.</li> </ul>
<b>Trust</b>	<p>A trust is an entity that may be formed by a trust agreement or declaration of trust. A trust may also be formed through a will.</p>
<b>Unincorporated association</b>	<p>An unincorporated association formed under state law must have at least two members who have signed a written document for a specifically defined purpose.</p>

**Unrelated business income**

Income from a trade or business regularly conducted by an exempt organization and not substantially related to the performance by the organization of its exempt purpose or function. See Pub. 598.

**Unusual grant**

Substantial contribution or bequest from a disinterested person that, by its size, adversely affects classification as a public charity. It is:

- a. Unusual,
- b. Unexpected, and
- c. Received from an unrelated party.

**Appendix D: National Taxonomy of Exempt Entities (NTEE) Codes**

<b>Arts, Culture &amp; Humanities</b> <b>Code</b> A01 Alliances & Advocacy A02 Management & Technical Assistance A03 Professional Societies & Associations A05 Research Institutes & Public Policy Analysis A11 Single Organization Support A12 Fund Raising & Fund Distribution A19 Support N.E.C. A20 Arts & Culture A23 Cultural & Ethnic Awareness A24 Folk Arts A25 Art Education A26 Arts & Humanities Councils & Agencies A27 Community Celebrations A30 Media & Communications A31 Film & Video A32 Television A33 Printing & Publishing A34 Radio A40 Visual Arts A50 Museums A51 Art Museums A52 Children's Museums A54 History Museums A56 Natural History & Natural Science Museums A57 Science & Technology Museums A60 Performing Art A61 Performing Arts Centers A62 Dance A63 Ballet A65 Theater A68 Music A69 Symphony Orchestras A6A Opera A6B Singing & Choral Groups A6C Bands & Ensembles A6E Performing Arts Schools A70 Humanities Organizations A80 Historical Organizations A82 Historical Societies & Historic Preservation A84 Commemorative Events A90 Arts Service A99 Arts, Culture & Humanities N.E.C.	B92 Remedial Reading & Encouragement B94 Parent & Teacher Groups B99 Education N.E.C.	E65 Organ & Tissue Banks E6A Pharmacies & Drugstores E70 Public Health E80 Health (General & Financing) E86 Patient & Family Support E90 Nursing E91 Nursing Facilities E92 Home Health Care E99 Health Care N.E.C.	G99 Voluntary Health Associations, Medical Disciplines N.E.C. G9B Surgical Specialties	
	<b>Environment</b> <b>Code</b> C01 Alliances & Advocacy C02 Management & Technical Assistance C03 Professional Societies & Associations C05 Research Institutes & Public Policy Analysis C11 Single Organization Support C12 Fundraising & Fund Distribution C19 Support N.E.C. C20 Pollution Abatement & Control C27 Recycling C30 Natural Resources Conservation & Protection C32 Water Resources, Wetland Conservation & Management C34 Land Resources Conservation C35 Energy Resources Conservation & Development C36 Forest Conservation C40 Botanical, Horticultural & Landscape Services C41 Botanical Gardens & Arboreta C42 Garden Clubs C50 Environmental Beautification C60 Environmental Education C99 Environmental N.E.C.	<b>Mental Health &amp; Crisis Intervention</b> <b>Code</b> F01 Alliances & Advocacy F02 Management & Technical Assistance F03 Professional Societies & Associations F05 Research Institutes & Public Policy Analysis F11 Single Organization Support F12 Fundraising & Fund Distribution F19 Support N.E.C. F20 Substance Abuse Dependency, Prevention & Treatment F21 Substance Abuse Prevention F22 Substance Abuse Treatment F30 Mental Health Treatment F31 Psychiatric Hospitals F32 Community Mental Health Centers F33 Residential Mental Health Treatment F40 Hot Line & Crisis Intervention F42 Sexual Assault Services F50 Addictive Disorders N.E.C. F52 Smoking Addiction F53 Eating Disorders & Addictions F54 Gambling Addiction F60 Counseling F70 Mental Health Disorders F80 Mental Health Associations F99 Mental Health & Crisis Intervention N.E.C.	<b>Medical Research</b> <b>Code</b> H01 Alliances & Advocacy H02 Management & Technical Assistance H03 Professional Societies & Associations H05 Research Institute & Public Policy Analysis H11 Single Organization Support H12 Fundraising & Fund Distribution H19 Support N.E.C. H20 Birth Defects & Genetic Diseases Research H25 Down Syndrome Research H30 Cancer Research H32 Breast Cancer Research H40 Diseases of Specific Organs Research H41 Eye Diseases, Blindness & Vision Impairments Research H42 Ear & Throat Diseases Research H43 Heart & Circulatory System Diseases & Disorders Research H44 Kidney Diseases Research H45 Lung Diseases Research H48 Brain Disorders Research H50 Nerve, Muscle & Bone Diseases Research H51 Arthritis Research H54 Epilepsy Research H60 Allergy-Related Diseases Research H61 Asthma Research H70 Digestive Diseases & Disorders Research H80 Specifically Named Diseases Research H81 AIDS Research H83 Alzheimer's Disease Research H84 Autism Research H90 Medical Disciplines Research H92 Biomedicine & Bioengineering Research H94 Geriatrics Research H96 Neurology & Neuroscience Research H98 Pediatrics Research H99 Medical Research N.E.C. H9B Surgical Specialties Research	
	<b>Animal-Related</b> <b>Code</b> D01 Alliance & Advocacy D02 Management & Technical Assistance D03 Professional Societies & Associations D05 Research Institutes & Public Policy Analysis D11 Single Organization Support D12 Fundraising & Fund Distribution D19 Support N.E.C. D20 Animal Protection & Welfare D30 Wildlife Preservation & Protection D31 Protection of Endangered Species D32 Bird Sanctuaries D33 Fisheries Resources D34 Wildlife Sanctuaries D40 Veterinary Services D50 Zoos & Aquariums D60 Animal Services N.E.C. D61 Animal Training D99 Animal Related N.E.C.	<b>Voluntary Health Associations &amp; Medical Disciplines</b> <b>Code</b> G01 Alliances & Advocacy G02 Management & Technical Assistance G03 Professional Societies & Associations G05 Research Institute & Public Policy Analysis G11 Single Organization Support G12 Fundraising & Fund Distribution G19 Support N.E.C. G20 Birth Defects & Genetic Diseases G25 Down Syndrome G30 Cancer G32 Breast Cancer G40 Diseases of Specific Organs G41 Eye Diseases, Blindness & Vision Impairments G42 Ear & Throat Diseases G43 Heart & Circulator System Diseases & Disorders G44 Kidney Diseases G45 Lung Diseases G48 Brain Disorder G50 Nerve, Muscle, & Bone Diseases G51 Arthritis G54 Epilepsy G60 Allergy Related Diseases G61 Asthma G70 Digestive Diseases & Disorders G80 Specific Named Disorders G81 AIDS G83 Alzheimer's Diseases G84 Autism G90 Medical Disciplines G92 Biomedicine & Bioengineering G94 Geriatrics G96 Neurology & Neuroscience G98 Pediatrics	<b>Crime &amp; Legal-Related</b> <b>Code</b> I01 Alliances & Advocacy I02 Management & Technical Assistance I03 Professional Societies & Associations I05 Research Institutes & Public Policy Analysis I11 Single Organization Support I12 Fundraising & Fund Distribution I19 Support N.E.C. I20 Crime Prevention I21 Youth Violence Prevention I23 Drunk Driving-Related I30 Correctional Facilities I31 Half-Way Houses for Offenders & Ex-Offenders I40 Rehabilitation Services for Offenders I43 Inmate Support I44 Prison Alternatives I50 Administration of Justice I51 Dispute Resolution & Mediation I60 Law Enforcement I70 Protection Against Abuse I71 Spouse Abuse Prevention I72 Child Abuse Prevention I73 Sexual Abuse Prevention I80 Legal Services I83 Public Interest Law I99 Crime & Legal-Related N.E.C.	
	<b>Education</b> <b>Code</b> B01 Alliances & Advocacy Organizations B02 Management & Technical Assistance B03 Professional Society & Associations B05 Research Institutes & Public Policy Analysis B11 Single Organization Support B12 Fundraising & Fund Distribution B19 Support N.E.C. B20 Elementary & Secondary Schools B21 Preschools B24 Primary & Elementary Schools B25 Secondary & High Schools B28 Special Education B29 Charter Schools B30 Vocational & Technical Schools B40 Higher Education Institutions B41 Two-Year Colleges B42 Two-Year Colleges B43 Undergraduate Colleges B50 Graduate & Professional Schools B60 Adult Education B70 Libraries B80 Student Services B82 Scholarships & Student Financial Aid B83 Student Sororities & Fraternities B84 Alumni Associations B90 Educational Services	<b>Health Care</b> <b>Code</b> E01 Alliances & Advocacy E02 Management & Technical Assistance E03 Professional Societies & Associations E05 Research Institutes & Public Policy Analysis E11 Single Organization Support E12 Fundraising & Fund Distribution E19 Support N.E.C. E20 Hospitals E21 Community Health Systems E22 General Hospitals E24 Specialty Hospitals E30 Ambulatory & Primary Health Care E31 Group Health Practices E32 Community Clinics E40 Reproductive Health Care E42 Family Planning E50 Rehabilitative Care E60 Health Support E61 Blood Banks E62 Emergency Medical Services & Transport		

**Appendix D: National Taxonomy of Exempt Entities (NTEE) Codes (Continued)**

<p><b>Employment Code</b></p> <p>J01 Alliances &amp; Advocacy</p> <p>J02 Management &amp; Technical Assistance</p> <p>J03 Professional Societies &amp; Associations</p> <p>J05 Single Organization Support</p> <p>J11 Consumer Lending</p> <p>J12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>J19 Employment Preparation &amp; Procurement</p> <p>J21 Vocational Counseling</p> <p>J22 Job Training</p> <p>J30 Vocational Rehabilitation</p> <p>J32 Goodwill Industries</p> <p>J33 Sheltered Employment</p> <p>J40 Labor Unions</p> <p>J99 Employment N.E.C.</p>	<p>L25 Housing Rehabilitation</p> <p>L30 Housing Search Assistance</p> <p>L40 Temporary Housing</p> <p>L41 Homeless Shelters</p> <p>L4A Hotels (except Casino Hotels) &amp; Motels</p> <p>L4B Bed and Breakfast Inns</p> <p>L50 Homeowners &amp; Tenants Associations</p> <p>L80 Housing Support</p> <p>L81 Home Improvement &amp; Repairs</p> <p>L82 Housing Expense Reduction Support</p> <p>L99 Housing &amp; Shelter N.E.C.</p>	<p>O12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>O19 Youth Centers &amp; Clubs</p> <p>O20 Boys Clubs</p> <p>O21 Girls Clubs</p> <p>O22 Boys &amp; Girls Clubs</p> <p>O23 Adult &amp; Child - Matching Programs</p> <p>O30 Big Brothers &amp; Big Sisters</p> <p>O40 Scouting</p> <p>O41 Boy Scouts of America</p> <p>O42 Girl Scouts of the U.S.A.</p> <p>O43 Camp Fire</p> <p>O50 Youth Development Programs</p> <p>O51 Youth Community Service Clubs</p> <p>O52 Youth Development - Agricultural</p> <p>O53 Youth Development - Business</p> <p>O54 Youth Development - Citizenship</p> <p>O55 Youth Development - Religious Leadership</p> <p>O99 Youth Development N.E.C.</p>	<p><b>International, Foreign Affairs &amp; National Security Code</b></p> <p>Q01 Alliances &amp; Advocacy</p> <p>Q02 Management &amp; Technical Assistance</p> <p>Q03 Professional Societies &amp; Associations</p> <p>Q05 Research Institutes &amp; Public Policy Analysis</p> <p>Q11 Single Organization Support</p> <p>Q12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>Q19 Promotion of International Understanding</p> <p>Q21 International Cultural Exchange</p> <p>Q22 International Academic Exchange</p> <p>Q23 International Exchange N.E.C.</p> <p>Q30 International Development</p> <p>Q31 International Agricultural Development</p> <p>Q32 International Economic Development</p> <p>Q33 International Relief</p> <p>Q35 International Democracy &amp; Civil Society Development</p> <p>Q40 International Peace &amp; Security</p> <p>Q41 Arms Control &amp; Peace</p> <p>Q42 United Nations Associations</p> <p>Q43 National Security</p> <p>Q50 International Affairs, Foreign Policy &amp; Globalization</p> <p>Q51 International Economic &amp; Trade Policy</p> <p>Q70 International Human Rights</p> <p>Q71 International Migration &amp; Refugee Issues</p> <p>Q99 International, Foreign Affairs &amp; National Security N.E.C.</p>
<p><b>Food, Agriculture &amp; Nutrition Code</b></p> <p>K01 Alliances &amp; Advocacy</p> <p>K02 Management &amp; Technical Assistance</p> <p>K03 Professional Societies &amp; Associations</p> <p>K05 Research Institutes &amp; Public Policy Analysis</p> <p>K11 Single Organization Support</p> <p>K12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>K19 Agricultural Programs</p> <p>K25 Farmland Preservation</p> <p>K26 Animal Husbandry</p> <p>K28 Farm Bureaus &amp; Granges</p> <p>K2A Other Vegetable (except Potato) &amp; Melon Farming</p> <p>K2B Soil Preparation, Planting, &amp; Cultivating</p> <p>K2C Wineries</p> <p>K30 Food Programs</p> <p>K31 Food Banks &amp; Pantries</p> <p>K34 Congregate Meals</p> <p>K35 Soup Kitchens</p> <p>K36 Meals on Wheels</p> <p>K40 Nutrition</p> <p>K50 Home Economics</p> <p>K6A Meat Markets</p> <p>K6B Confectionery &amp; Nut Stores</p> <p>K6C Caterers</p> <p>K6D Mobile Food Services</p> <p>K6E Drinking Places</p> <p>K6F Snack Nonalcoholic Beverage Bars</p> <p>K90 Limited-Service Restaurants</p> <p>K91 Supermarkets &amp; Other Grocery (except Convenience) Stores</p> <p>K92 Convenience Stores</p> <p>K93 Fruit &amp; Vegetable Markets</p> <p>K94 All Other Specialty Food Stores</p> <p>K95 Food (Health) Supplement Stores</p> <p>K96 Warehouse Clubs &amp; Supercenters</p> <p>K97 Food Service Contractors</p> <p>K98 Full-Service Restaurants</p> <p>K99 Food, Agriculture &amp; Nutrition N.E.C.</p>	<p><b>Public Safety, Disaster Preparedness &amp; Relief Code</b></p> <p>M01 Alliances &amp; Advocacy</p> <p>M02 Management &amp; Technical Assistance</p> <p>M03 Professional Societies &amp; Associations</p> <p>M05 Research Institutes &amp; Public Policy Analysis</p> <p>M11 Single Organization Support</p> <p>M12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>M20 Disaster Preparedness &amp; Relief Services</p> <p>M23 Search &amp; Rescue Squads</p> <p>M24 Fire Prevention</p> <p>M40 Safety Education</p> <p>M41 First Aid</p> <p>M42 Automotive Safety</p> <p>M60 Public Safety Benevolent Associations</p> <p>M99 Public Safety, Disaster Preparedness &amp; Relief N.E.C.</p>	<p><b>Human Services Code</b></p> <p>P01 Alliances &amp; Advocacy</p> <p>P02 Management &amp; Technical Assistance</p> <p>P03 Professional Societies &amp; Associations</p> <p>P05 Research Institutes &amp; Public Policy Analysis</p> <p>P11 Single Organization Support</p> <p>P12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>P19 Human Service Organizations</p> <p>P20 American Red Cross</p> <p>P21 Urban League</p> <p>P22 Salvation Army</p> <p>P26 Volunteers of America</p> <p>P27 Young Men's or Women Associations</p> <p>P28 Neighborhood Centers</p> <p>P29 Thrift Shops</p> <p>P30 Children &amp; Youth Services</p> <p>P31 Adoption</p> <p>P32 Foster Care</p> <p>P33 Child Day Care</p> <p>P40 Family Services</p> <p>P42 Single Parent Agencies</p> <p>P43 Family Violence Shelters, Services</p> <p>P44 In-Home Assistance</p> <p>P45 Family Services for Adolescent Parents</p> <p>P46 Family Counseling</p> <p>P47 Pregnancy Centers</p> <p>P50 Personal Social Services</p> <p>P51 Financial Counseling</p> <p>P52 Transportation Assistance</p> <p>P58 Gift Distribution</p> <p>P60 Emergency Assistance</p> <p>P61 Travelers' Aid</p> <p>P62 Victims' Services</p> <p>P70 Residential Care &amp; Adult Day Programs</p> <p>P71 Adult Day Care</p> <p>P73 Group Homes</p> <p>P74 Hospices</p> <p>P75 Supportive Housing for Older Adults</p> <p>P76 Homes for Children &amp; Adolescents</p> <p>P7A Residential Intellectual &amp; Developmental Disability Facilities (Group Homes, Intermediate Care Facilities &amp; Hospitals)</p> <p>P80 Centers to Support the Independence of Specific Populations</p> <p>P81 Senior Centers</p> <p>P82 Developmentally Disabled Centers</p> <p>P83 Womens' Centers</p> <p>P84 Ethnic &amp; Immigrant Centers</p> <p>P85 Homeless Centers</p> <p>P86 Blind &amp; Visually Impaired Centers</p> <p>P87 Deaf &amp; Hearing Impaired Centers</p> <p>P88 LGBT Centers</p> <p>P99 Human Services N.E.C.</p>	<p><b>Civil Rights, Social Action &amp; Advocacy code</b></p> <p>R01 Alliances &amp; Advocacy Organizations</p> <p>R02 Management &amp; Technical Assistance</p> <p>R03 Professional Societies &amp; Associations</p> <p>R05 Research Institutes &amp; Public Policy Analysis</p> <p>R11 Single Organization Support</p> <p>R12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>R19 Civil Rights</p> <p>R20 Minority Rights</p> <p>R22 Disabled Persons' Rights</p> <p>R23 Womens' Rights</p> <p>R24 Seniors' Rights</p> <p>R25 Lesbian &amp; Gay Rights</p> <p>R26 Childrens' Rights</p> <p>R28 Intergroup &amp; Race Relations</p> <p>R30 Voter Education &amp; Registration</p> <p>R60 Civil Liberties</p> <p>R61 Reproductive Rights</p> <p>R62 Right to Life</p> <p>R63 Censorship, Freedom of Speech &amp; Press</p> <p>R67 Right to Die &amp; Euthanasia</p> <p>R99 Civil Rights, Social Action &amp; Advocacy N.E.C.</p>
<p><b>Housing &amp; Shelter Code</b></p> <p>L01 Alliances &amp; Advocacy</p> <p>L02 Management &amp; Technical Assistance</p> <p>L03 Professional Societies &amp; Associations</p> <p>L05 Research Institutes &amp; Public Policy Analysis</p> <p>L11 Single Organization Support</p> <p>L12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>L20 Housing Development, Construction &amp; Management</p> <p>L21 Low-Income &amp; Subsidized Rental Housing</p> <p>L22 Senior Citizens' Housing &amp; Retirement Communities</p> <p>L24 Independent Housing for People with Disabilities</p>	<p><b>Recreation &amp; Sports Code</b></p> <p>N01 Alliances &amp; Advocacy</p> <p>N02 Employment Services</p> <p>N03 Professional Societies &amp; Associations</p> <p>N05 Research Institutes &amp; Public Policy Analysis</p> <p>N11 Single Organization Support</p> <p>N12 Fundraising &amp; Fund Distribution Support N.E.C.</p> <p>N20 Camps</p> <p>N2A RV (Recreational Vehicle) Parks &amp; Campgrounds</p> <p>N2B Recreational and Vacation Camps (Except Campgrounds)</p> <p>N30 Physical Fitness &amp; Community Recreational Facilities</p> <p>N31 Community Recreational Centers</p> <p>N32 Parks &amp; Playgrounds</p> <p>N40 Sports Training Facilities, Agencies</p> <p>N50 Recreational Clubs</p> <p>N52 Fairs</p> <p>N60 Amateur Sports</p> <p>N61 Fishing &amp; Hunting</p> <p>N62 Basketball</p> <p>N63 Baseball &amp; Softball</p> <p>N64 Soccer</p> <p>N65 Football</p> <p>N66 Racquet Sports</p> <p>N67 Swimming &amp; Other Water Recreation</p> <p>N68 Winter Sports</p> <p>N69 Equestrian</p> <p>N6A Golf</p> <p>N70 Amateur Sports Competitions</p> <p>N71 Olympics</p> <p>N72 Special Olympics</p> <p>N80 Professional Athletic Leagues</p> <p>N99 Recreation &amp; Sports N.E.C.</p>	<p><b>Youth Development Code</b></p> <p>O01 Alliances &amp; Advocacy</p> <p>O02 Management &amp; Technical Assistance</p> <p>O03 Professional Societies &amp; Associations</p> <p>O05 Research Institutes &amp; Public Policy Analysis</p> <p>O11 Single Organization Support</p>	<p><b>Community Improvement &amp; Capacity Building Code</b></p> <p>S01 Alliances &amp; Advocacy</p> <p>S02 Management &amp; Technical Assistance</p> <p>S03 Professional Societies &amp; Associations</p> <p>S05 Research Institutes &amp; Public Policy Analysis</p> <p>S11 Single Organization Support</p> <p>S12 Fund Raising &amp; Fund Distribution Support N.E.C.</p> <p>S20 Community &amp; Neighborhood Development</p> <p>S21 Community Coalitions</p> <p>S22 Neighborhood &amp; Block Associations</p>

**Appendix D: National Taxonomy of Exempt Entities (NTEE) Codes (Continued)**

S30	Economic Development	U03	Professional Societies & Associations	V37	Labor Studies	X70	Hinduism
S31	Urban & Community Economic Development	U05	Research Institutes & Public Policy Analysis	V99	Social Science N.E.C.	X80	Religious Media & Communications
S32	Rural Economic Development	U11	Single Organization Support	<b>Public &amp; Societal Benefit Code</b>		X81	Religious Film & Video
S40	Business & Industry	U12	Fundraising & Fund Distribution Support N.E.C.	W01	Alliances & Advocacy	X82	Religious Television
S41	Chambers of Commerce & Business Leagues	U19	General Science	W02	Management & Technical Assistance	X83	Religious Printing & Publishing
S43	Small Business Development	U20	Marine Science & Oceanography	W03	Professional Societies & Associations	X84	Religious Radio
S46	Boards of Trade	U21	Physical & Earth Sciences	W05	Research Institutes & Public Policy Analysis	X90	Interfaith Coalitions
S47	Real Estate Associations	U30	Astronomy	W11	Single Organization Support	X99	Religion Related, N.E.C.
S50	Nonprofit Management	U33	Chemistry & Chemical Engineering	W12	Fundraising & Fund Distribution Support N.E.C.	<b>Mutual &amp; Membership Benefit Code</b>	
S80	Community Service Clubs	U34	Mathematics	W19	Government & Public Administration	Y01	Alliances & Advocacy
S81	Womens' Service Clubs	U36	Geology	W20	Public Finance, Taxation & Monetary Policy	Y02	Management & Technical Assistance
S82	Mens' Service Clubs	U40	Engineering & Technology	W22	Citizen Participation	Y03	Professional Societies & Associations
S99	Community Improvement & Capacity Building N.E.C.	U41	Computer Science	W24	Military & Veterans' Organizations	Y05	Research Institutes & Public Policy Analysis
<b>Philanthropy, Volunteerism &amp; Grantmaking Foundations Code</b>		U42	Engineering	W30	Public Transportation Systems	Y11	Single Organization Support
T01	Alliances & Advocacy	U45	Biological & Life Sciences Research	W40	Telecommunications	Y12	Fundraising & Fund Distribution Support N.E.C.
T02	Management & Technical Assistance	U99	Science & Technology N.E.C.	W50	Financial Institutions	Y19	Support N.E.C.
T03	Professional Societies & Associations	<b>Social Science Code</b>		W60	Credit Unions	Y20	Insurance Providers
T05	Research Institutes & Public Policy Analysis	V01	Alliances & Advocacy	W61	Leadership Development	Y22	Local Benevolent Life Insurance Associations
T11	Single Organization Support	V02	Management & Technical Assistance	W70	Public Utilities	Y23	Mutual Insurance Companies & Associations
T12	Fundraising & Fund Distribution Support N.E.C.	V03	Professional Societies & Associations	W80	Consumer Protection	Y24	Supplemental Unemployment Compensation
T19	Support N.E.C.	V05	Research Institutes & Public Policy Analysis	W90	Public & Societal Benefit N.E.C.	Y25	State-Sponsored Workers' Compensation Reinsurance Organizations
T20	Private Grantmaking Foundations	V11	Single Organization Support	<b>Religion-Related Code</b>		Y30	Pension & Retirement Funds
T21	Corporate Foundations	V12	Fund Raising & Fund Distribution Support N.E.C.	X01	Alliances & Advocacy	Y33	Teachers' Retirement Fund Associations
T22	Private Independent Foundations	V19	Social Science	X02	Management & Technical Assistance	Y34	Employee-Funded Pension Trusts
T23	Private Operating Foundations	V20	Anthropology & Sociology	X03	Professional Societies & Associations	Y35	Multi-Employer Pension Plans
T30	Public Foundations	V21	Economics	X05	Research Institutes & Public Policy Analysis	Y40	Fraternal Societies
T31	Community Foundations	V22	Behavioral Science	X11	Single Organization Support	Y41	Fraternal Beneficiary Societies
T40	Volunteerism Promotion	V23	Political Science	X12	Fundraising & Fund Distribution Support N.E.C.	Y42	Domestic Fraternal Societies
T50	Philanthropy, Charity & Volunteerism Promotion	V24	Population Studies	X19	Christianity	Y43	Voluntary Employees Beneficiary Associations (Non-Government)
T70	Federated Giving Programs	V25	Law & Jurisprudence	X20	Protestant	Y44	Voluntary Employees Beneficiary Associations (Government)
T90	Named Trusts N.E.C.	V26	Interdisciplinary Research	X21	Roman Catholic	Y50	Cemeteries
T99	Philanthropy, Voluntarism & Grantmaking Foundations N.E.C.	V30	Black Studies	X22	Judaism	Y99	Mutual & Membership Benefit N.E.C.
<b>Science &amp; Technology Code</b>		V31	Women's Study	X30	Islam		
U01	Alliances & Advocacy	V32	Ethnic Studies	X40	Buddhism		
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