

~~temporary, only that your status, private foundation or public charity, has not been settled. At the end of your advance ruling period, the IRS will send you a letter asking you to fill out and return a copy of IRS Form 8734, *Support Schedule for Advance Ruling Period.*~~

To ensure that you will be able to successfully make your case when that time comes, you will need to be a conscientious record keeper, recording individual contributions of all kinds, including membership dues, cash donations, receipts from the sale of fundraising items, in-kind donations and non-reimbursed expenses. Record the dates, the amounts, and the name and address of each donor.

Filling Out Form 1023

IRS Form 1023, *Application for Recognition of Exemption Under Section 501(c)3 of the Internal Revenue Code* – the title itself is enough to intimidate the uninitiated. The June 2006 revisions are current versions of the form and its instructions. The form itself is 27-pages long; the instructions are another 38-pages long. There isn't any question as to your qualifications and capabilities. There are thousands of little nonprofits, and someone like you has done this successfully time and time again. But there also isn't any question that the application process is labor intensive and time consuming. According to the *Paperwork Reduction Act Notice* included in the instructions, the estimated average hours involved are:

- Recordkeeping 89.4 hrs
- Learning about the law or the form 5.2 hrs
- Filling out the form 9.7 hrs
- Copying, assembling and mailing the form 0.5 hrs

That's a total of 104.8 hours. Were you to hire a tax attorney or accounting firm experienced in such applications, that time could probably be cut by more than half. But you would still have to provide them with a lot of information, and 40-hours of their professional services would probably cost you at least \$5,000!

Obviously, the sensible approach is to bite the bullet, and resolve to do the application yourself, realizing that it's not going to be easy, and will take at least a week or two of concentrated effort.

Having decided that, the form and instructions can be downloaded from www.irs.gov, the IRS web site. Just enter "1023" in the box at the top of the opening page and click the Search button. Both are available in Adobe PDF format; the form is provided in the fillable PDF format, so you can fill it out neatly on your computer, and save it as you work.