

**Form 1023-EZ Streamlined Application for Reinstatement of Tax-Exempt Status**  
**For Organizations within 15 months of Revocation**

Dear PTA Leader:

The IRS has released their new Form 1023-EZ to facilitate the process for application of tax-exempt status and reinstatement of tax-exempt status for small organizations. The enclosed document will detail the new instructions related to the simplified form.

If your PTA received a letter from the IRS stating that the tax-exempt status has been revoked, please follow the instructions in the attachment to this letter to reinstate the organization's tax-exempt status.

**Note:** These simplified instructions only apply to organizations applying for reinstatement via Form 1023-EZ who are within 15 months after the later of the date of their revocation letter, or the date the IRS posted their name on the auto-revocation list. For organizations that are applying beyond this 15 month period, refer to the original detailed instructions as the process has not yet been streamlined for you. Also, only PTAs who file Forms 990-EZ or 990-N are eligible to complete the Form 1023-EZ. Any organizations required to complete a full Form 990 must complete the full Form 1023.

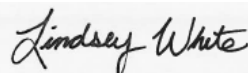
Before completing the Form 1023-EZ, be sure to complete the "Form 1023-EZ Eligibility Worksheet," to ensure you are eligible to complete the Form 1023-EZ. If you answer yes to any of the 26 questions included in the worksheet, you are *unable* to complete the Form 1023-EZ, and must complete the full Form 1023. The worksheet is located on the tax help page of the PTA website. It is also included in the Form 1023-EZ instructions provided by the IRS.

If the Form 1023-EZ is accepted, the IRS will issue a letter indicating the status has been reinstated, either retroactively or effective the date of the application (depending on which option you have chosen when completing Part V of the Form 1023-EZ).

Please follow the attached instructions carefully to complete IRS Form 1023-EZ. An example Form 1023-EZ has been completed for reference when completing the form online. The example form is included on the tax help page of the PTA website ("Reference Form 1023-EZ"). Please carefully review the portions of the form already completed, and make changes to any responses that are incorrect for your PTA.

Please contact me by email at [lwhite@pta.org](mailto:lwhite@pta.org) if you have questions.

Sincerely,



Lindsey White  
Senior Accountant

Enclosure

### **Instructions for Streamlined Application for Reinstatement of Tax-Exempt Status**

Please follow these instructions carefully. These instructions will help you complete the IRS Form 1023-EZ and required attachments. **Do not submit these instructions to the IRS. Please review any already completed responses on Form 1023-EZ for accuracy and make any necessary changes on the electronic form.** The IRS instructions for Form 1023-EZ can be obtained by visiting the Form 1023-EZ page on the IRS website at <http://www.irs.gov/uac/About-Form-1023EZ>. This page also includes a link to the [Pay.gov](http://www.pay.gov) website, which is where all Forms 1023-EZ must be submitted electronically. The National PTA is also in the process of completing a webinar to address specific Form 1023-EZ instructions, issues, and questions. We will post links to the webinar as soon as it becomes available.

Form 1023-EZ is only available to file electronically at [Pay.gov](http://www.pay.gov). You must register the organization to complete the form 1023-EZ on this website. Once registered, enter “1023-EZ” in the search box to find the form. A pre-filled form is provided by the National PTA as an example to use for reference when completing the Form 1023-EZ. Do not complete and submit this form directly to the IRS, as it will not be accepted since it was not electronically filed through the [Pay.gov](http://www.pay.gov) website.

The first step of the form is to check the box to attest that the “Form 1023-EZ Eligibility Worksheet” was completed, the PTA is eligible to use Form 1023-EZ, and the organization has read and understands the requirements to be exempt under section 501(c)(3). Please check this box once all steps have been taken to follow all three requirements, and ensure the PTA is eligible to complete Form 1023-EZ. As previously mentioned, the “Form 1023-EZ Eligibility Worksheet” is included on the tax help page of the PTA website, as well as in the Form 1023-EZ instructions on the IRS website.

### **IRS Form 1023-EZ (Streamlined Application for Recognition of Exemption Under Section 501(c)(3)): Specific Instructions**

#### **Part I: Identification of Applicant**

1. Line 1a through 1e – Insert the exact legal name of the PTA as it appears on the PTA’s articles of incorporation filed with the state of incorporation, as well as the PTA’s mailing address.
2. Line 2 – Insert the PTA’s 9-digit Employer Identification Number.
3. Line 3 – Fill in the month the PTA’s fiscal year ends. For example, fill in “6” for a June 30 year end or “12” for a December 31 year end
4. Line 4 – Insert the primary contact name. You may use the current president or another officer as the primary contact.
5. Line 5 – Insert the primary contact’s telephone number.

6. Line 6 – Insert the primary contact’s fax number if available. This item is optional.
7. Line 7 – The user fee submitted automatically populates as \$400. This is the amount all organizations using the Form 1023-EZ will be required to pay.
8. Line 8 – List all of the names, titles, and mailing addresses of the PTA’s officers, directors, and/or trustees. Officers, directors, and/or trustees may use the organization’s mailing address rather than their personal address. If you have more than five, list only five in the order indicated below:
  1. President or chief executive officer or chief operating officer
  2. Treasurer or chief financial officer
  3. Chairperson of the governing body.
  4. Any officers, directors, and trustees who are substantial contributors (not already listed above).
  5. Any other officers, directors, and trustees who are related to a substantial contributor (not already listed above).
  6. Voting members of the governing body (not already listed above).
  7. Officers (not already listed above).
9. Line 9a through 9b – Insert the PTA’s website and e-mail address if available. Both items are optional to be included on the form.

## **Part II: Organizational Structure**

1. Line 1 –Please indicate whether the PTA is a Corporation (incorporated) or an unincorporated association. No PTA will check the Trust option.
2. Line 2 – Indicated whether or not the PTA has the necessary organizing documents associated with the organization type selected in line one. If incorporated, the organizing document would be the PTA’s Articles of Incorporation. If you cannot locate a copy, contact the Secretary of State of the state of incorporation to order a copy on file. If the PTA is not incorporated, the organizational document would be a document indicating the PTA’s name and purpose, signed by two members and dated.
3. Line 3 – Please indicated the year or PTA was incorporated, or, if not incorporated, the year the PTA was formed (according to the organizational document).
4. Line 4 –Please indicated the state in which the PTA was incorporated or otherwise formed.
5. Line 5 –The PTA’s organizing document must limit the purposes of the organization to one or more exempt purposes within section 501(c)(3), such as charitable and/or educational. Please check this box to attest that the organizing document includes this detail.
6. Line 6 –The organizing document must also not empower the PTA to engage in activities that do not further the exempt purpose of the organization, otherwise than an insubstantial part of the PTA’s activities. Please indicate that the organizational document does not allow the PTA to engage in unrelated business activities.

7. Line 7 –Indicate that the organizational document includes a section that that, upon dissolution, assets must be exclusively used for exempt purposes such as charitable and/or educational purposes.

### **Part III: Your Specific Activities**

1. Line 1 – Please enter “B94” as the appropriate 3-character NTEE Code. This is the code that best describes the PTA’s activities (in line with the purpose of the organization). This NTEE Code indicates the PTA is an education related professional society or association. A list of all NTEE Codes is included in the Form 1023-EZ instructions found on the IRS website.
2. Line 2 –Attest to which purpose(s) the PTA is furthering from the list. Most PTA organizing documents list both charitable and educational, so please select both. You must select at least one of the purposes from the list to qualify for exemption under section 501(c)(3).
3. Line 3 –Attest that the PTA has not, and will not, conduct activities that violate the restrictions and prohibitions listed in line 3. The prohibitions and restrictions are listed below:
  - Refrain from supporting or opposing candidates in political campaigns in any way
  - Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals (that is, 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 be organized or operated for the primary purposes of conducting a trade or business that is not related to your exempt purposes(s).
  - Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in section 501(h).
  - Not provide commercial-type insurance as a substantial part of your activities.
4. Line 4 –Please check no to question 4, as no PTA should be attempting to influence legislation, as that is not the purpose of the PTA.
5. Line 5 – Please indicate whether or not the PTA does, or will, pay compensation to any of its officers, directors, or trustees. The reference Form 1023-EZ completed by the National PTA has “No” automatically selected as most PTA’s do not provide compensation. If the PTA does provide compensation, please indicate “Yes.” If unsure whether or not something should be considered compensation, please refer to page 7 of the Form 1023-EZ instructions.
6. Line 6 –Please indicate “No” to the question of donating funds to or paying expenses for individual(s), as no PTA should be providing assistance to specific individuals outside of the exempt purpose of the organization. These expenses do not include any payment or reimbursement of business expenses (such as travel to Conventions, purchasing of supplies, etc).

7. Line 7 –Please select “No,” to indicate the PTA does not conduct activities or provide grants or assistance to individuals or organizations outside of the United States.
8. Line 8 –Please select “No,” to indicate that the PTA will not engage in financial transactions with any officers, directors, or trustees, or any of the entities they own.
9. Line 9 –Please select “No,” to indicate the PTA will not have unrelated business gross income of \$1,000 or more during the tax year, as most PTAs should have significant unrelated business income (UBI). However, if you do happened to have more than \$1,000 of UBI, the organization must file a Form 990-T with the Form 990. Please refer to IRS Publication 598 for more information.
10. Line 10 –Please indicate whether or not the PTA has operated or plans to operate bingo or other gaming activities. This line item has been left optional as this response may vary between PTAs. If the PTA is operating bingo or gaming forums, please select “Yes,” and be aware of possible tax ramification from these activities. If the PTA is holding charity gaming forums as an insubstantial part of the business, the tax status should not be jeopardized. However, the organization may be subject to tax on the unrelated business income received from the gaming forum. Please refer to IRS Publication 3079 for more information.
11. Line 11 –Please select “No,” to indicate the PTA has not or does not plan to provide disaster relief assistance at any time, since that is not the prime purpose of the PTA. However, please note, even if a charity was not specifically organized to provide disaster relief and related activities, the organization does not need prior permission from the IRS to engage in such activities. If the PTA does become involved in disaster relief activities and assistance (donating funds, volunteer, etc.), it must report the new activity on the annual return. Refer to IRS Publication 3833 for more information.

#### **Part IV: Foundation Classification:**

1. Line 1 –Please select option “b” under line 1. This indicates the type of Public Charity the PTA operates as. The line explicitly states the PTA is attesting “that you normally receive more than one-third of your support from a combination of gifts, grants, contributions, membership fees, and gross receipts (From permitted sources) from activities related to your exempt functions and normally receive not more than one-third of your support from investment income and unrelated business taxable income.”
2. Line 2 – Do not select the option under line 2, as all PTAs are considered to be public charities under section 501(c)(3). This line will indicate to the IRS that the organization is a private foundation, which the PTA is not. Public Charity status is a much more favorable tax status than the private foundation.

#### **Part V: Reinstatement After Automatic Revocation**

**Note: Only organizations applying for reinstatement under sections 4 or 7 of IRS Revenue Procedure 2014-11 (Rev. Proc. 2014-11) may use the Form 1023-EZ. If the PTA is applying for reinstatement under sections 5 or 6 of Rev. Proc. 2014-11, a full Form 1023 must be completed. Please refer to Rev. Proc. 2014-11 for more information on each section noted (specifically sections 4 through 7) on the requirements to apply**

**for reinstatement under each section. A link to Rev. Proc 2014-11 is provided on the tax help web page of the PTA website.**

1. Line 1, applying for retroactive reinstatement under Rev. Proc. 2014-11 Section 4 – Please select option 1 if the PTA is seeking retroactive reinstatement. If you check the box, you attest that you meet the specified requirements under Rev. Proc. 2014-11 Section 4. It also attests to the fact the PTA’s failure to file yearly forms was not intentional and procedures have been put in place in the organization to avoid revocation in the future. Retroactive reinstatement simply means the PTA will be reinstated as of the date of Revocation.
2. Line 2, applying for reinstatement under Rev. Proc. 2014-11 Section 7 –Please select option 2 if the PTA is seeking reinstatement as of the date of the Form 1023-EZ submitted. If option 2 is select, the PTA is agreeing to accept the reinstatement date as of the date of the Form 1023-EZ application, rather than the date the PTA’s status was automatically revoked (which would be option 1 under section 4 of Rev. Proc. 2014-11).

**Part VI: Signature**

You must have an officer, director, or trustee listed in Part I, line 8, who has signature authority for the organization electronically sign the Form 1023-EZ. To complete the electronic signature, the signer must select the box in the signature section which states: “I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, and to the best of my knowledge it is true, correct, and complete.” The signer must also type his or her name on the line provided, along with their title or authority of the signer, and the date. Please ensure the individual signing the Form 1023-EZ has documented signature authority.

**IRS Processing** – Within a few weeks after the Form 1023-EZ is submitted to the IRS, the PTA should receive a notification letter from the IRS indicating the application has been received and is being reviewed. IRS processing times for applications for tax exemption vary from several months to a year or more. The PTA may be contacted by the IRS if additional information is needed to make a determination.