

## Emails sent by Sandy Deja to the IRS, commenting on the Interactive Form 1023

September 19, 2013

Dear EO.CEO,

Thank you for posting the “review” version of the Interactive Form 1023 for public feedback.

Here are my observations:

### Generally

It would be helpful to warn applicants that many elements in the i1023 will not work unless the computer being used is signed on to the internet.

The first page of the pdf has a link to the Form 1023 instructions. Because the Form 1023, itself, is out of date in some important ways, a link to Notice 1382, as well, would be helpful.

Would it be possible to re-number the pages of the i1023 pdf so that that the page numbers for the pdf document are the same as the page numbers for the Form 1023?

The following links to Stay Exempt that are associated with help topics did not work, although I made multiple attempts:

- Part I, Question 4 – EIN
- Part II, Question 5 – Bylaws
- Part VIII, Question 6a – Economic Development

In several places in Form 1023, a “yes” or “no” answer takes you to a continuation sheet; un-checking these boxes should not take you to the continuation sheet.

Some of the “Return to Form 1023” buttons on the continuation sheets do not work:

- Part V, Questions 9b, 9c and 9d
- Part VIII, Question 13f
- Part X, Question 6b (two non-working buttons)

### Specifically

For Part I, Question 2, c/o Name, there is a help icon, but no message appears.

For Part I, Question 5, Month the annual accounting period ends, the popup should not omit the comment that appears in the full instructions recommending that the applicant

check the Bylaws for consistency.

Instead of describing what is wrong with Part II, it seems easier to explain how I think this section of Form i1023 should work.

- Checking “yes” in Part II, Question 1 should automatically enter check marks in the “no” boxes for Part II, Questions 2, 3 and 4a. Questions 4b and 5 should be left blank for the applicant to answer independently.
- Checking “yes” in Part II, Question 2 should automatically enter check marks in the “no” boxes for Part II, Questions 1, 3 and 4a. Questions 4b and 5 should be left blank for the applicant to answer independently.
- Checking “yes” in Part II, Question 3 should automatically enter check marks in the “no” boxes for Part II, Questions 1, 2 and 4a. Questions 4b and 5 should be left blank for the applicant to answer independently.
- Checking “yes” in Part II, Question 4a should automatically enter check marks in the “no” boxes for Part II, Questions 1, 2 and 3. Questions 4b and 5 should be left blank for the applicant to answer independently.
- No answer for Part II, Question 4b should be permitted unless Part II, Question 4a is checked “yes.”

I suppose that you decided not to offer a continuation sheet for the Part IV Narrative because the question itself says to provide the information “Using an attachment.” For the convenience of applicants, however, it seems silly not to offer space within the i1023 for the narrative, as you have for almost every other question.

The help icons for Part V, Questions 1a, 1b, and 1c refer to an “Additional Table Rows” button which is not there.

The link to Schedule C of Form 1023 in Part V, Question 5 does not work.

Part V, Questions 8 and 9 are multi-part questions, and the i1023 has multiple continuation sheets. But each of these questions only has one “yes” box, which takes the applicant only to the first continuation sheet(s). Perhaps “Provide Details” buttons would be more appropriate?

The link to Schedule G in Part VII, Question 1 does not work.

The link to Schedule E in Part VII, Question 2 does not work.

The link to Schedule B in Part VIII, Question 19 does not work.

The link to Schedule C in Part VIII, Question 20 does not work.

The link to Schedule F in Part VIII, Question 21 does not work.

The link to Schedule H in Part VIII, Question 22 does not work.

There should be a continuation sheet for applicants who check the Part X, Question 1b, box, so they can explain how the organizing document meets the 508(e) requirement. It seems silly not to offer space within the i1023 for this, as you have for almost every other question.

The link to Schedule A in Part X, Question 5a does not work.  
The link to Schedule B in Part X, Question 5b does not work.  
The link to Schedule C in Part X, Question 5c does not work.  
The link to Schedule D in Part X, Question 5d does not work.

Applicants are supposed to skip Question 6a in Part X of Form 1023. It does not make sense, therefore, to give them the ability to enter a name, date and title in the no-longer-used Consent form that appears there.

There are “Provide Details” buttons for Part X, Questions 6b(i)(b) and 6b(ii)(b). Why is there no “Provide Details” button for Part X, Question 6b(ii)(a), which also asks for a list of names and amounts?

Would it be possible to change the wording on the button named “Check Current User Fee,” in the introductory part of Part XI? It might be useful to say, “Warning, the User Fees shown below have changed; Check current User Fee.”

I did not specifically look for typos when reviewing Form i1023, but I noticed a few:

- Part I, Question 6, popup: “...may be an officer, directory or trustee...” should be “...may be an officer, director or trustee...”
- Part VIII, Question 9b popup: “...see work.” should be “...seek work.”
- Part VIII, Question 12: the popup that appears after clicking the help icon inserts “/n/n” for no apparent reason, and repeats the message about a yes answer/supplementary pages two times.

Again, thank you for this opportunity to provide feedback on Form i1023. I certainly hope that the i1023 will help the E.O. Determinations staff serve the public better.

Sandy Deja

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March 5, 2014

Dear TE/GE,

Last fall I wrote you with a number of suggestions and corrections for the new Interactive Form 1023.

In the course of revising my ebook, Prepare Your Own 501(c)(3) Application, I have taken a closer look at the Interactive 501(c)(3) application, and have the following additional observations:

This page of irs.gov: <http://www.irs.gov/pub/irs-pdf/f1023i.pdf> links to an outdated version of Notice 1382.

On this page of the introductory questions for the Interactive Form: <http://www.stayexempt.irs.gov/StartingOut/InteractiveForm1023Application/Step1of7/step2of7.aspx>, a "no" answer takes you to the middle of Publication 557, to a page of the Pub that does not have information about organizing documents. If possible, it would be better to take folks to page 24 of the Pub, or just to page 1.

On this page of the introductory questions for the Interactive Form: <http://www.stayexempt.irs.gov/StartingOut/InteractiveForm1023Application/Step1of7/step2of7/step3of7.aspx>, a "no" answer takes you to the middle of Publication 557, to a page of the Pub that does not have information about the required wording. If possible, it would be better to take folks to page 24 of the Pub, or just to page 1.

Regarding the Interactive Form 1023 itself:

Why not have an actual link to Notice 1382 at the top of the 1023, instead of just a message about the Notice? Notice 1382, by the way, needs to be updated to refer to Revenue Procedure 2014-11 instead of to Notice 2011-44.

Part VIII, Question 9 - The question mark icon brings an excerpt from the instructions that sends applicants to Part VII, line 19 for a definition of school. There is no Part VII, line 19. Apparently, this is a typo. In the actual instructions, folks are asked to go to Part VIII, line 19.

Part VIII, Question 15 - The question mark icon brings a definition of close connection, and provides a link to Publication 557. I have not been able to find anything in Publication 557 that would be useful to applicants in answering this question. The term close connection does not even appear in Pub 557. Why the link?

Part VIII, Question 16 - The Question mark icon brings a definition of cooperative

hospital service organizations, and provides a link to Publication 557. Page 3 of Publication 557 specifically says that the Pub does not discuss 501(e) organizations. Why the link?

Part VIII, Question 17 - The Question mark icon brings a definition of cooperative service organizations of operating educational organizations, and provides a link to Publication 557. Page 3 of Publication 557 specifically says that the Pub does not discuss 501(f) organizations. Why the link?

Part X, Question 6b – The question mark icon takes the applicant to an outdated part of the instructions, telling applicants to provide the requested information if they have closed a tax year at least 8 months long. This conflicts with the "new" instructions given in Notice 1382.

I hope this information will be helpful to you.

Sandy Deja