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(Rev. September 1998) Department of the Treasury Internal Revenue Service

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

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

	Complete the Procedural Checklist	on page 8 of t	ne instructions.
Part I Identific	cation of Applicant		
1a Full name of org	ganization (as shown in organizing document)		2 Employer Identification number (EIN)
DonorsCho	DonorsChoose, Inc.		(If none, see page 3 of the Specific Instructions.) 13 4129457
1b c/o Name (if ap	plicable)		3 Name and telephone number of person
Charles B	est		to be contacted if additional information is needed
1c Address (number	er and street)	Room/Suite	(212) 404 0460
2 Charlto	n Street	12D	(212) 424-8460
1d City town or b	oct officer state and 71D 4 16		()
see Specific In	ost office, state, and ZIP + 4. If you have a fore structions for Part I, page 3.	ign address,	Month the annual accounting period ends June
New York,	NY 10014		
			5 Date incorporated or formed July 12,2000
1e Web site addres	SS		6 Check here if applying under section: a ☐ 501(e) b ☐ 501(f) c ☐ 501(k) d ☐ 501(n)
7 Did the organiza	ation previously apply for recognition of exempti	on under this C	Code section or under any
other section of If "Yes," attach	the Code?		· · · · · · · · · · · · · · · · Yes 🏗 No
8 Is the organization of the street 8 If "No," attach a	ion required to file Form 990 (or Form 990-EZ)? an explanation (see page 3 of the Specific Inst i	uctions).	N/A 🛣 Yes 🗌 No
DOCUMENTS 1	for the type of organization. ATTACH A CONFOL TO THE APPLICATION BEFORE MAILING. (See or examples of organizational documents.)	RMED COPY C Specific Instru	F THE CORRESPONDING ORGANIZING actions for Part I, Line 10, on page 3.) See
a 🗵 Corporation	 Attach a copy of the Articles of Incorporation approval by the appropriate state official; also 	(including ame	endments and restatements) showing
b Trust—	Attach a copy of the Trust Indenture or Agree		
c 🗌 Association-	 Attach a copy of the Articles of Association, of declaration (see instructions) or other evidence document by more than one person; also inclined. 	e the organizat	ion was formed by adoption of the
If the arganization	•		
I declare under the pena	on is a corporation or an unincorporated associati- lities of perjury that I am authorized to sign this application or g schedules and attachments, and to the best of my knowlec	on that has not behalf of the abov	yet adopted bylaws, check here ► □ re organization and that I have examined this application,
Please //	y schedules and attachments, and to the best of my knowled	ge it is true, correc	t, and complete.
Sign Here	(Signature) (Type	TTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTT	09/76/700
Para Para	(Typi	or princhame and	title or authority of signer) (Date)

Part II Activities and Operational Information

1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See Exhibit 1

2 What are or will be the organization's sources of financial support? List in order of size.

See Exhibit 2

3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

See Exhibit #

Par	Activities and Operational Information (Continued)	
4_	Give the following information about the organization's governing body:	
a	Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
	Charles Best (President, Treasurer, Director)	0
	2 Charlton St., Apt. 12D, New York, NY 10014	
	Merwin Pond (Secretary, Director)	0
	230 Seaman Ave., Apt. 5H, New York, NY 10034	
		_
	Phoebe K. Best-Devenish (Director)	0
	HC 77, Box 166A, Hancock, ME 04640	
_		
С	Do any of the above persons serve as members of the governing body by reason of being public or being appointed by public officials?	
	or being appointed by public officials? If "Yes," name those persons and explain the basis of their selection or appointment.	, , ,, LLI Tes QLI NO
	The state of the s	
d	Are any members of the organization's governing body "disqualified persons" with respec	t to the
_	organization (other than by reason of being a member of the governing body) or do any of the n	nembers
	have either a business or family relationship with "disqualified persons"? (See Specific Instructionship with "disqualified persons"?	ions for
	Part II, Line 4d, on page 3.)	🗶 Yes 🗌 No
	7 703, одрши.	
5	Does the organization control or is it controlled by any other organization?	. , 🗌 Yes 🛣 No
J	Is the organization the outgrowth of (or successor to) another organization, or does it have a	
	relationship with another organization by reason of interlocking directorates or other factors? .	🗆 Yes 🗷 No
	If either of these questions is answered "Yes," explain.	
		*
ь	Does or will the organization directly or indirectly engage in any of the following transactions political organization or other exempt organization (other than a 501(c)(3) organization): (a) grant	with any
	(b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantee	es;
	(e) reimbursement arrangements; (f) performance of services, membership, or fundraising solices of services, membership, or fundraising solices of services are resident as a service of services.	
	or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? If "Yes," explain fully and identify the other organizations involved.	LI Yes LALINO
	, ,	
7	Is the organization financially accountable to any other organization?	🗆 Yes 🗷 No
	If "Yes," explain and identify the other organization. Include details concerning accountability copies of reports if any have been submitted.	r attach
	and the street of the street o	

Part II	Activities a	nd Operational	Information	(Continued)
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8	What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."
	N/A
9	Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes 🛛 No
	Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement?
**	between the applicant and the other parties.
11 a	Is the organization a membership organization?
b	Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.
С	What benefits do (or will) the members receive in exchange for their payment of dues?
12a	If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them?
b	Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals?
	and school students (1) which have submitted a proopsal to DonorsChoose, Inc. and (2) whose grant is selected by the donor to be a recipient of a donation. Initially only schools located in New York state will be eligible to apply for and receive donations.
13	Does or will the organization attempt to influence legislation?
14	Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements?

Par	t III	Technical Requirements
1	create	ou filing Form 1023 within 15 months from the end of the month in which your organization was d or formed?
2	to que	of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed estion 7. ations—You are not required to file an exemption application within 15 months if the organization:
		Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See Specific Instructions , Line 2a, on page 4;
	∐ b	Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
	С	Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.
3	If the 27 mo	organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within onths from the end of the month in which the organization was created or formed? Yes No
		s," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month sion of the 15-month filing requirement. Do not answer questions 4 through 6.
	If "No	," answer question 4.
4	under	answer "No" to question 3, does the organization wish to request an extension of time to apply the "reasonable action and good faith" and the "no prejudice to the interest of the government" ements of Regulations section 301.9100-3?
		s," give the reasons for not filing this application within the 27-month period described in question 3. Expecific Instructions, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.
	If "No	o," answer questions 5 and 6.
5	be re applic	answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can cognized only from the date this application is filed. Therefore, do you want us to consider the cation as a request for recognition of exemption as a section 501(c)(3) organization from the date pplication is received and not retroactively to the date the organization was created or formed? " Yes No
6	with t	answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning the date the organization was formed and ending with the date the Form 1023 application was received (the effective of the organization's section 501(c)(3) status), check here ▶ □ and attach a completed page 1 of Form 1024 to this cation.

Form	1023	(Rev	9-98

13-4129457

ans	

Pa	rt III	Technical Requirements (Continued)	
7	☐ Yes	rganization a private foundation? (Answer question 8.) (Answer question 9 and proceed as instructed.)	
8	☐ Yes ☑ No	nswer "Yes" to question 7, does the organization claim to be a private operat (Complete Schedule E.)	ing foundation?
	After a	nswering question 8 on this line, go to line 14 on page 7.	
9	box bel	nswer "No" to question 7, indicate the public charity classification the organizous that most appropriately applies: RGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:	
	a 🗌	As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.)	Sections 509(a)(1) and 170(b)(1)(A)(i)
	b 🗌	As a school (MUST COMPLETE SCHEDULE B.)	Sections 509(a)(1) and 170(b)(1)(A)(ii)
	с 🗌	As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.)	Sections 509(a)(1) and 170(b)(1)(A)(iii)
	d 🔲	As a governmental unit described in section 170(c)(1).	Sections 509(a)(1) and 170(b)(1)(A)(v)
	e 🗍	As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d , g , h , or i (MUST COMPLETE SCHEDULE D.)	Section 509(a)(3)
	f 🗀	As being organized and operated exclusively for testing for public safety.	Section 509(a)(4)
	g 🗆	As being operated for the benefit of a college or university that is owned or operated by a governmental unit.	Sections 509(a)(1) and 170(b)(1)(A)(iv)
	h 🗓	As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.	Sections 509(a)(1) and 170(b)(1)(A)(vi)
	i 🗆	As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).	Section 509(a)(2)
	j 🗀	The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i . The organization would like the IRS to decide the proper classification.	Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2)

If you checked one of the boxes a through f in question 9, go to question 14. If you checked box g in question 9, go to questions 11 and 12.

If you checked box h, i, or j, in question 9, go to question 10.

Par	Technical Requirements (Continued)			
10	If you checked box h, i, or j in question 9, has the organization completed a tax year of at least 8 m Yes—Indicate whether you are requesting: A definitive ruling. (Answer questions 11 through 14.) An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed an No—You must request an advance ruling by completing and signing two Forms 872-C and Form 1023.	d sign	ed.)	them to the
11	If the organization received any unusual grants during any of the tax years shown in Part IV-A, State Expenses , attach a list for each year showing the name of the contributor; the date and the amount description of the nature of the grant.	ement of the	of R grant	levenue and t; and a brief
	N/A			
12	If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ▶ ☐ and:			
	Enter 2% of line 8, column (e), Total, of Part IV-A			
b 	Attach a list showing the name and amount contributed by each person (other than a governmental supported" organization) whose total gifts, grants, contributions, etc., were more than the amount er above.	unit o itered	r "pu on lii	blicly ne 12a
13	If you are requesting a definitive ruling under section 509(a)(2), check here ▶ □ and:			
	For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of ar from each "disqualified person." (For a definition of "disqualified person," see Specific Instructions , page 3.)	Part I	l, Lin	e 4d, on
b 	For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount payer (other than a "disqualified person") whose payments to the organization were more than \$5,00 "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (governmental agency or bureau.	n Fai	thie	DUITDOSA
14	Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
	Is the organization a church?		Х	Α
	Is the organization, or any part of it, a school?		Х_	В
	Is the organization, or any part of it, a hospital or medical research organization?		Х	С
	Is the organization a section 509(a)(3) supporting organization?		Х	D
	Is the organization a private operating foundation?		X	E
	Is the organization, or any part of it, a home for the aged or handicapped?		<u> </u>	F
	Is the organization, or any part of it, a child care organization?		<u> </u>	G
	Does the organization provide or administer any scholarship benefits, student aid, etc.?		<u>X</u>	Н
	Has the organization taken over, or will it take over the facilities of a "for profit" institution?		Х	

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

	A. Statement of Revenue and Expenses						
			Current tax year	3 prior tax years or proposed budget for 2 years			
	1	Gifts, grants, and contributions received (not including unusual grants—see page 6 of the	(a) From 4/1/00 to 12/31/00	(b) 1/1/01 12/31/01	(c) 1/1/02 12/31/02	(d)	(e) TOTAL
•		instructions),	5,981.95	150,000.00	200,000.00		355,981.95
	2	Membership fees received	0	0	0		0
	3	Gross investment income (see instructions for definition)	0	0	0		0
	4	Net income from organization's unrelated business activities not included on line 3	0	0	0		0
	5	Tax revenues levied for and either paid to or spent on behalf		0	0		0
Revenue	6	of the organization Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	<u>0</u>			0
œ	7	Other income (not including gain				**************************************	
		or loss from sale of capital assets) (attach schedule)		0	o		O
	8	Total (add lines 1 through 7)	5,981.95	150,000.00	200,000.00		355,981.95
	9	Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22.	0	0			0
	10	Total (add lines 8 and 9)	5,981.95	150,000.00	200,000.00		355,981.95
		Gain or loss from sale of capital assets (attach schedule)	0				ОО
	12	Unusual grants	0	C			o
	13	Total revenue (add lines 10 through 12)	5,981.95		200,000.00		355,981.95
	14	Fundraising expenses	0	10,000.00	10,000.00		
	15	Contributions, gifts, grants, and similar amounts paid (attach schedule)	3,621.95	100,000.00	120,000.00		
	16	Disbursements to or for benefit of members (attach schedule)	0		0		
enses	17 18 19	Compensation of officers, directors, and trustees (attach schedule)	0	30,000,00	0		
ğ	18	Other salaries and wages	0	30,000.00			
Ш	19	Interest	0	· · · · · · · · · · · · · · · · · · ·	0		
		Occupancy (rent, utilities, etc.).	0		0.		
		Depreciation and depletion	2,360.00	10 000 0	10,000.00		
		Other (attach schedule) Total expenses (add lines 14					
		through 22)	5,981.95	150,000.00	200,000.00		
	24	Excess of revenue over expenses (line 13 minus line 23)	0		0		

	B. Balance Sheet (at the end of the period shown)	Current tax year Date
	Assets	
1	Cash	
2	Accounts receivable, net	
3	Inventories	
4	Bonds and notes receivable (attach schedule)	
5	Corporate stocks (attach schedule)	
6	Mortgage loans (attach schedule)	
7	Other investments (attach schedule)	
8	Depreciable and depletable assets (attach schedule)	
9	Land	
10	Other assets (attach schedule)	
11	Total assets (add lines 1 through 10)	
	Liabilities	
12	Accounts payable	
13	Contributions, gifts, grants, etc., payable	
14	Mortgages and notes payable (attach schedule)	
15	Other liabilities (attach schedule)	
16	Total liabilities (add lines 12 through 15)	
	Fund Balances or Net Assets	
17	Total fund balances or net assets	
18	Total liabilities and fund balances or net assets (add line 16 and line 17) 18	

Exhibit 1

FORM 1023

DonorsChoose, Inc.

EIN 13-4129457

DonorsChoose, Inc. is an internet-based nonprofit organization that channels money for NYC public school teachers to enliven their student's learning. Teachers propose experiences for their kids, and prospective donors choose from among those proposals through DonorsChoose's website. DonorsChoose, Inc. relies on the initiative of teachers to identify the activities which would most delight and benefit their students. Any individual may evaluate the teachers' proposals on the website and select those they want to fund. No portion of a donation goes toward school administration.

Upon recognizing a particular need, a teacher submits on the website a proposal to do something for which the school does not offer funding. Proposals could range from giving a dictionary to each student in a class, to taking a trip to Washington, D.C., to purchasing quality paints for an art project, to sending a promising student to science summer camp. The teacher describes his or her students as well as the proposal itself. A DonorsChoose, Inc. administrator reviews the proposal, calculates the cost, and files the accepted proposal and cost under an appropriate category. Individuals interested can browse through proposal titles to read a complete description and cost in order to fund a proposal. If a proposal is funded, DonorsChoose, Inc. receives their check, makes the purchases, and verifies proper use of the materials. With each donation, teachers receive a disposable camera and instructions to take snapshots, to write a thank you note to the donor and to include some student responses. These are mailed to DonorsChoose, Inc.

Shortly after funding an appealing proposal, a donor then receives: a receipt for materials purchased; photographs of students engaged in what the donor made possible; a thank you note from the teacher; and student responses.

Exhibit 2

FORM 1023

DonorsChoose, Inc.

EIN 13-4129457

DonorsChoose, Inc. will receive donations from the general public after such individuals review and select a teacher proposal through the DonorsChoose website. The initial source of financial support was made by Charles Best, the president and founder of DonorsChoose, Inc., which covered website design and setup costs. Thereafter, financial support will be solicited from the general public through the DonorsChoose website.

Exhibit 3

FORM 1023

DonorsChoose, Inc.

EIN 13-4129457

DonorsChoose, Inc.'s fund-raising program includes the solicitation of donations from the general public through DonorsChoose's website at www.donorschoose.org. Individuals interested in helping fund teacher proposals can browse through proposal titles to read a complete description and cost.

(Rev. January 1998) Department of the Treasury Internal Revenue Service

User Fee for Exempt Organization Determination Letter Request ► Attach this form to determination letter application. (Form 8718 is NOT a determination letter application.)

For IRS	Use Only
Control number	
Amount paid	

1 Name of organization

2 Employer Identification Number

Donorschoose	, inc.	13 4129457	
Caution: Do not attach Form 8718 to	o an application for a pension plan dete	ermination letter. Use Form 8717 instead.	
3 Type of request	, ,		Fee
a Initial request for a determination	on letter for:	'	CC
 An exempt organization that 	has had annual gross receipts averaç	ging not more than \$10,000 during the	
preceding 4 years, or	inates gross receipts averaging not mor	e than \$10,000 during its first 4 years > \$	
Note: If you checked box 3a, you	ou must complete the Certification below	a trian \$ 10,000 during its first 4 years ► \$	150
	Certification		
certify that the annual gross re	eceipts of	name of organization	
have averaged (or are expecte operation.	d to average) not more than \$10,000 of	during the preceding 4 (or the first 4) years	3 Qf
Signature ►	Title ▶		
4 years, or			500 500
Instructions	Attach to Form 8718 a check or	Send the determination letter	
The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 98-8, 1998-1, I.R.B. 225. Check the box on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.	money order payable to the Internal Revenue Service for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.	application and Form 8718 to:	
Attach Check or Money Order Here			

Form 872-C

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

0MB No. 1545-0056

To be used with

(Rev. September 1998)

Department of the Treasury Internal Revenue Service

(See instructions on reverse side.)

To be used with Form 1023. Submit in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request file organization named below be treated as a publicly supported organization under se section 509(a)(2) during an advance ruling period,	ed with Form 1023 that the oction 170(b)(1)(A)(vi) or
DonorsChoose, Inc. (Exact legal name of organization as shown in organizing document) c/o Charles Best, 2 Charlton St., Apt. 12D, New York (Number, street, city or town, state, and ZIP code) NY 10034	District Director of Internal Revenue, or the Assistant Commissioner (Employee Plans and Exempt Organizations)
consent and agree that the period for assessing tax (imposed under section 494 tax years in the advance ruling period will extend 8 years, 4 months, and 15 day year. However, if a notice of deficiency in tax for any of these years is sent to the or expires, the time for making an assessment will be further extended by the numless.	rs beyond the end of the first tax
Ending date of first tax year	oci oi days the assessment is
Name of organization (as shown in organizing document)	Date
DonorsChoose, Inc.	09/26/2000
Officer or trustee having authority to sign	Type or print name and title
Signature Mall	Charles Best, President
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ▶