



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

December 10, 2013

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MEMORANDUM FOR EXEMPT ORGANIZATIONS DETERMINATIONS UNIT AND EXEMPT  
ORGANIZATIONS DETERMINATIONS QUALITY ASSURANCE

FROM: Karen M. Schiller /s/ Karen M. Schiller  
Acting Director, Exempt Organizations, Rulings and Agreements

SUBJECT: Processing Guidelines for Section 501(c)(3) Applications Involving Potential Political  
Campaign Intervention

The purpose of this memorandum is to provide interim administrative guidance to the Exempt Organizations Determinations Unit (EOD) and Exempt Organizations Determinations Quality Assurance (EODQA) regarding processing and review guidelines for certain exemption applications under Section 501(c)(3). Specifically, these guidelines apply to applications for tax-exempt status under Section 501(c)(3) that indicate the organization may be involved in political campaign intervention for which additional development is necessary to determine qualification of exempt status. The following types of activities may suggest the potential for political campaign intervention (see, also, IRM 7.20.5, *Review Procedures for EO Determinations*):

- Voter registration
- Inaugural and convention host committees
- Post-election transition teams
- Voter guides
- Voter polling
- Voter education
- GOTV drives
- Events at which candidates speak
- Communications expressing approval or disapproval of candidates' positions or actions
- Other activities that appear to support or oppose candidates for public office

In the interest of effective and efficient tax administration and to assist in the transparent and consistent review of these types of applications for tax-exempt status under Section 501(c)(3), the following procedures must be followed:

1. The determination specialist will draft an additional information request letter. In accordance with applicable interim guidance and IRM 7.20.2.4.1, *Requesting Additional Information*, the specialist will ensure the information request is professional in tone, grammatically correct, free of spelling errors, formatted properly, complete, and material to the determination. The specialist should avoid asking for information that is already included in the case file. The scope of information needed will be based upon the facts and circumstances of the represented activities and

qualification under Section 501(c)(3) of the Code. The specialist will submit the case and draft letter to his or her manager for review within five days.

2. The group manager conducts a review to ensure the additional information request letter is prepared in accordance with IRM 7.20.2.4.1 and the scope of the request appropriate within five days of receipt from the specialist. Once the group manager is satisfied the additional information letter is appropriate the case will be routed to EODQA for mandatory review following procedures in IRM 7.20.2.4.3, *Transferring Cases to Other Groups*, and IRM 7.20.5.
3. EODQA will assign the case to the next available reviewer. The reviewer will conduct an independent review of the case and the additional information request letter to ensure the scope of the request is appropriate and the letter is prepared in accordance with IRM 7.20.2.4.1 within five days of receipt from the group. If the reviewer agrees with the group manager, the reviewer will seek concurrence from the manager EODQA before sending the development letter to the applicant. The case file is returned to the originating determination specialist awaiting a response. If the reviewer and Manager EODQA disagree with the scope of the information request or find that the letter was not prepared in accordance with the IRM, a meeting will be held between the affected parties (EODQA reviewer and manager, group manager, and determination specialist) to discuss the findings. Upon agreement, the information request letter is sent to the applicant.
4. Upon receipt of a complete response from the applicant, the specialist will make a determination on the qualification of exemption under Section 501(c)(3) by preparing either the appropriate determination approval letter or a proposed adverse determination letter. In accordance with IRM 7.20.5, the proposed closed case will be returned to EODQA as a designated mandatory review case.

EOD and EODQA must follow the procedure for any Section 501(c)(3) application involving potential political campaign intervention issues beginning on the issuance date of this memo. Any questions are to be directed to Steve Bowling, Manager, Rulings and Agreements, Determinations, Area 1.

The contents of this memorandum will be incorporated into IRM 7.20.2 and IRM 7.20.5.

cc: [www.irs.gov](http://www.irs.gov)