

## IRM PROCEDURAL UPDATE

**DATE: 06/11/2014**

**NUMBER: WI-21-0614-0989**

**SUBJECT: Auto-Revoked Organizations with Employment Code G**

**AFFECTED IRM(s)/SUBSECTION(s): 21.3.8.12.6.1**

**CHANGE(s):**

**IRM 21.3.8.12.6.1(5) – Added a separate procedure for organizations claiming to be governmental units with an employment code G that requires them to submit documentation supporting their status to the TEGE Correspondence Unit.**

5. Use the following chart if the caller states that his/her organization should not have been revoked for failure to file:

<b>If</b>	<b>And</b>	<b>Then</b>
The caller states that the organization should not have been revoked because they <b>have a letter stating that they are not required to file an EO return</b>	EDS/TEDS research shows that the organization was given a 990-06, 990-13, or 990-14 filing requirement	Prepare a Form 4442 referral to the EO Correspondence Unit (EEFAX 855-204-6184).  <b>CAUTION:</b> Remain noncommittal when you are taking a referral to the EO Correspondence Unit on a potentially-erroneous revocation and do not tell the caller that it appears that the revocation is in error. Tell the caller that the information is being forwarded to the appropriate area for additional research and that they will receive information in writing from that area. That written communication is generally initiated within 60 days from the date of the referral.

<p>The caller states that the organization should not have been revoked because they <b>have a letter stating that they are not required to file an EO return</b></p>	<p>EDS/TEDS research does not show that the organization was given a 990-06, 990-13, or 990-14 filing requirement</p>	<p>Instruct the caller to send a copy of the letter showing they do not have an EO filing requirement to:</p> <p>TEGE Correspondence Unit</p> <p>P.O. Box 2508, Room 4024</p> <p>Cincinnati, OH 45201</p> <p>The information may also be faxed to EEFAQ 855-204-6184.</p>
<p>The caller states that the organization should not have been revoked because they are a governmental unit or affiliate of a governmental unit</p>	<p>The entity displays employment code F, T, or A on IDRS</p>	<p>Prepare a Form 4442 referral to the EO Correspondence Unit (EEFAQ 855-204-6184).</p> <p><b>CAUTION:</b> Remain noncommittal when you are taking a referral to the EO Correspondence Unit on a potentially-erroneous revocation and do not tell the caller that it appears that the revocation is in error. Tell the caller that the information is being forwarded to the appropriate area for additional research and that they will receive information in writing from that area. That written communication is generally initiated within 60 days from the date of the referral.</p>
<p>The caller states that the organization should not have been revoked</p>	<p>The entity displays employment code G on IDRS</p>	<p>Instruct the caller to send a copy of the documentation showing they are a</p>

<p>because they are a governmental unit or affiliate of a governmental unit</p>		<p>governmental unit or affiliate of a governmental unit to: TEGE Correspondence Unit P.O. Box 2508, Room 4024 Cincinnati, OH 45201</p> <p>The information may also be faxed to EEFAX 855-204-6184.</p>
<p>The caller states that the organization should not have been revoked because they filed at least one return in the three year period that began after December 31, 2006</p> <p><b>EXCEPTION:</b> If the caller states that the revoked subordinate organization was included in a group return, see below.</p>	<p>IDRS research shows that at least one return was filed for the appropriate period and, if it was for the third year, that the return was timely filed</p> <p><b>REMINDER:</b> If the DLN of the extension (TC 460) is exactly the same as the DLN of the TC 150 for a 2010 return processed in 2010, then the extension was not one filed by the organization (i.e., it is not valid) and any return/notice filed after the normal due date is considered delinquent.</p>	<p>Prepare a Form 4442 referral to EO Accounts, fax 801-620-5555.</p> <p><b>EXCEPTION:</b> Do not prepare a referral if the organization has a pending application for exemption AND the status 97 TC 016 on BMFOLE has a manual, not a systemic, DLN. Explain to the caller that the organization was manually revoked based on the formation date on the organizing document submitted with the application and that the organization will have to wait for its ruling to be reinstated. (You can identify the TC 016 that updated the account to Status 97 by looking for Definer Code B and a transaction date matching the status update on INOLES. If the DLN of the TC 016 does not contain all 9s in the 6th through 13th positions and end in 2, 3, 4 etc., then the update to status 97 was done manually to process the application.)</p>

		<p><b>CAUTION:</b> Remain noncommittal when you are taking a referral to EO Accounts on a potentially-erroneous revocation and do not tell the caller that it appears that the revocation is in error. Tell the caller that the information is being forwarded to the appropriate area for additional research and that they will receive information in writing from that area. That written communication is generally initiated within 30 days from the date of the referral.</p>
<p>The caller states that the organization should not have been revoked because they filed at least one return in the three year period that began after December 31, 2006</p> <p><b>EXCEPTION:</b> If the caller states that the revoked subordinate organization was included in a group return, see below.</p> <p><b>NOTE:</b> If the caller states that the organization filed its return using another organization's EIN in error (e.g., one subordinate in a group ruling mistakenly uses another subordinate's EIN), explain that filer error is not an acceptable reason for reinstatement and that the organization must</p>	<p>IDRS research does not show that at least one return was filed for the appropriate period or, if it was for the third year, that the return was not timely filed</p> <p><b>REMINDER:</b> If the DLN of the extension (TC 460) is exactly the same as the DLN of the TC 150 for a 2010 return processed in 2010, then the extension was not one filed by the organization (i.e., it is not valid) and any return/notice filed after the normal due date is considered delinquent.</p>	<p>Instruct the caller to send proof of (timely) filing to: Internal Revenue Service Attn: EO Accounts Unit, M/S 6552 Ogden, UT 84201</p> <p>Fax 801-620-5555</p> <p><b>CAUTION:</b> Remain noncommittal when you are instructing the caller to submit information to EO Accounts and do not tell the caller that it appears that the revocation is in error. Tell the caller that they will receive information in writing from that area. That written communication is generally initiated within 30 days from the date of receipt.</p>

(re)apply if it wants to be exempt.		
The caller states that the organization should not have been revoked because they had previously contacted us timely and that the assistor at that time assured the caller that we would submit the Form 990-N on their behalf to prevent auto-revocation (changes to the EO submodule notwithstanding)	A history/narrative on AMS substantiates the caller's statements	Prepare a Form 4442 referral to the TEGE Correspondence Unit, EEFAQ 855-204-6184.
<p>The caller states that the organization should not have been revoked because the organization has not been in existence for three tax years</p> <p><b>NOTE:</b> This situation generally applies to organizations with older EIN establishment dates (four years or more from the current date). For organizations with more recent EIN establishment dates, see IRM 21.3.8.12.6.1.1, "Calls from Organizations in Status 97 with a Recent EIN Establishment Date."</p>	<p>The organization does not have a formal ruling showing on EDS but has an organizing document that shows that the due date of the organization's third fiscal period is later than the date of the call</p> <p><b>EXAMPLE:</b> IDRS shows that an organization operating on a calendar year received its EIN in April 2000 so its exemption was revoked for failure to file for 200712, 200812, and 200912. The caller states that the organization did not activate and legally form until June 2010. In order for this organization to be legitimately revoked, it would have to fail to file for 201012, 201112, and 201212. It would have until May 15, 2013, to file its third year's return timely.</p>	<p>Instruct the caller to send a copy of their organizing document and a letter of explanation to:</p> <p>TEGE Correspondence Unit</p> <p>P.O. Box 2508, Room 4024</p> <p>Cincinnati, OH 45201</p> <p>The information may also be faxed to EEFAQ 855-204-6184.</p>
The caller states that the		Ask the caller for the EIN

<p>revoked subordinate organization was included in a group return</p>		<p>of the group return filed by the central organization.</p> <p>If the caller can provide the EIN, verify that the EIN is assigned to a group return. If it is, prepare a Form 4442 referral to EO Accounts, fax 801-620-5555, and include that information.</p> <p>If the caller cannot provide the EIN of the group return <b>OR</b> the EIN provided by the caller is not assigned to a group return, tell the caller that he/she should research for the correct information and either call us back or mail/fax the information to the EO Accounts Unit, M/S 6552 Ogden, UT 84201 (fax 801-620-5555).</p> <p><b>NOTE:</b> It may be necessary to educate the caller about group returns. See IRM 21.3.8.12.14.6, "Group Returns," for additional information.</p>
<p>The caller states that the organization should not have been revoked because they are a federal credit union exempt under IRC 501(c)(1)</p>	<p>IDRS indicates that the entity had been exempt under 501(c)(14) as a state-chartered credit union</p>	<p>Instruct the caller to send a request to correct our records, as well as proof that it is recognized as a federally-chartered credit union, to:</p> <p>TEGE Correspondence Unit</p> <p>P.O. Box 2508, Room 4024</p> <p>Cincinnati, OH 45201</p>

		The information may also be faxed to EEFAX 855-204-6184.
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