

INTERIM IRM PROCEDURAL UPDATE

DATE: 12/18/2012

NUMBER: WI-21-1212-1946

**SUBJECT: Various Changes to Tax Exempt/Government Entities (TEGE)
Customer Account Services (CAS) Telephone Operations**

AFFECTED IRM(s)/SUBSECTION(s): 21.3.8

CHANGE(s):

IRM 21.3.8.3.4.1.2(6) - Removed the information about TAS referrals for failure to adhere to a response time frame and differentiated between requests for copies of returns and for copies of applications, adding a cross-reference to IRM 21.3.8.5.1.4, "Inquiries Regarding Correspondence Controlled on TRAC," for the latter.

6. If the caller indicates it has been more than 60 days since the request was submitted and that she/he has received no response, confirm that the request was sent to the correct address (Ogden for copies of returns, Cincinnati for copies of letters/applications).
 - If it has been more than 60 days and the **request for a copy of a return was sent to the correct address**, instruct the caller to request the information again, marking "SECOND REQUEST" at the top of the request. Tell the caller to allow 30 days for a response to the second request.
If it has been more than 60 days and the **request for a copy of an application was sent to the correct address**, refer to IRM 21.3.8.5.1.4, "Inquiries Regarding Correspondence Controlled on TRAC."
 - If the request was **sent to the incorrect address**, provide the caller with the correct address. Although the request should be forwarded to the appropriate site, the caller may want to submit a copy of the request to the correct address.

IRM 21.3.8.5.1.3(8) - Updated the referral information for EO speaker requests and added a time frame for initial contact.

8. If a caller requests information on having an IRS speaker address his/her organization, send an email with the following information to EO Customer Education and Outreach at *TE/GE-EO-CEO and tell the caller to expect to be contacted within 10 business days:
 - Name of the individual to be contacted and his/her position within the organization

- Work day telephone number of contact person and the name and telephone number of a second person who can be contacted during the work day
- Name of the organization requesting the speaker. Is this organization sponsoring the event?
- Title of event, e.g., general group meeting, statewide meeting, national conference
- Location of the organization/speaking event, including the street address and city
- Date for which the speaker is being requested and a proposed time and length of speech
- Approximate number of attendees
- Topics to be addressed/covered by speaker

IRM 21.3.8.5.1.3.1(2) - Added a reference to the TEGE P&RG for use when discussing deductibility.

2. Research to determine whether the organization is recognized tax exempt:

If	Then
<p>INOLES/ENMOD reflects favorable tax exempt recognition (statuses 01 and 25)</p> <p>EXCEPTION: See IRM 21.3.8.12.23, "Ruling Dates with all Zeroes on Organizations with Individual Exemption," before affirming the exemption of an individually-exempt organization that displays all zeroes for its ruling date.</p> <p>NOTE: See (3) below the table if the organization's current foundation code is 09 or if it has an expired advance ruling period or has been presumed to be a private foundation.</p> <p>CAUTION: Research BMFOLO for a prior foundation code and EDS/TEDS before assuming that an organization with foundation code 04 and Form 990PF-1 filing requirement has been ruled to be a private</p>	<p>1. Provide verbal confirmation that the organization is recognized tax exempt under section 501(c)(X) (substituting the appropriate subsection for "X").</p> <p>CAUTION: DO NOT USE PHRASES SUCH AS "IN GOOD STANDING" OR "IN GOOD STATUS."</p> <p>2. Confirm deductibility via cc BMFOLO before responding to a direct question about the deductibility of contributions. Remember to use the TEGE P&RG; refer to IRM 21.3.8.12.4 for additional details.</p> <p>NOTE: Grantors and contributors may rely on an advance ruling or determination of termination of private foundation status under 507(b)(1)(B) for purposes of IRC section 170. In other words, contributions to a private foundation in status 25 are treated like contributions to a public charity unless it is more</p>

<p>foundation; it may be a presumptive private foundation, in which case you will need to give special instructions to an authorized caller. If the caller is unauthorized, tell him/her that the organization is a private foundation (if she/he asks about the foundation classification).</p>	<p>than 90 days after the advance ruling period expired and there is no "P" case on EDS that was established after the advance ruling date. See paragraph (3) below for additional information.</p> <p>3. If requested and if the organization has an individual ruling of exemption or is the central organization in a group ruling, prepare an appropriate affirmation letter. See IRM 21.3.8.5.1.3.(5).</p> <p>NOTE: If the organization is a subordinate in status 01, explain that we cannot prepare a letter of affirmation and advise the caller to contact the central organization; you may reference the section entitled, "How do I verify that an organization is included as a subordinate in a group exemption ruling?" in Publication 4573, <i>Group Exemptions</i>.</p> <p>4. If the caller asks how long the organization has been exempt, you may disclose the ruling date and the status code date. The ruling date is the date the exemption was granted; the status code date is the date the exemption was effective.</p> <p>NOTE: If the status code date of an entity in status 01 is later than the ruling date, you cannot rely on that date as being the correct effective date of exemption. If the entity had previously been in a status such as status 21 or status 32 and then updated to status 01, for example, the status code date may still reflect the date of the conversion to status 21 or</p>
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	<p>status 32 and not the original effective date of the exemption. If requested, share only the ruling date in this situation, unless you can verify the correct status code (effective) date on EDS/TEDS. You should also update IDRS accordingly.</p> <p>5. If the caller is authorized and the organization has a filing requirement other than 990-06, 990-13, or 990-14, research for EO return filing compliance and advise the caller accordingly. See IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements," for additional information.</p>
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IRM 21.3.8.10.2.7(1) - Added a Note that the 42X series of notices is being obsoleted in January 2013.

1. Taxpayer Delinquent Returns Notices and Taxpayer Delinquent Investigations (TDIs) are issued from Master File on accounts that have not received a return (Form 990/990-EZ, Form 990-PF, Form 990-T, Form 990-N, Form 5227, and Form 1120-POL) to satisfy the filing requirement. The following table lists the forms, and the order the applicable notices are sent.

Form	1st Notice	2nd Notice
		NOTE: The 42X series of notices is being obsoleted January 2013 and only the first notice will be issued thereafter.
990	259-A (420 prior to January 2009)	425
990-PF	259-B (421 prior to January 2009)	426
Presumptive 990-PF	259-C (422 prior to January 2009)	427
990-T	259-D (423 prior to January 2009)	428

990-N	259-E (as of July 2008)	Not applicable
5227	259-F (424 prior to January 2009)	429
1120-POL	259-G	430

NOTE: See the Servicewide Notice Information Program (SNIP) site for an example of CP Notices.

IRM 21.3.8.11.1.3 - New subsection on online payments for EP application user fees.

1. Beginning in January 2013, EP applicants will be able to pay their user fee online at www.pay.gov using a credit card or ACH debit from their checking or savings account.
2. The filer will complete an online form similar to Form 8717, *User Fee for Employee Plan Determination Letter Request*.
3. The payment will be downloaded to LINUS and will be identified by a DLN beginning with 26.
4. The filer will be directed to print out the confirmation page and mail it in with the application to the Cincinnati campus (Covington, KY). Once received, the application will be entered in LINUS as a no-remit and associated with the online payment. In other words, there will be two entries on LINUS for the application, one with a 26 DLN showing the payment and one with a 17 DLN showing no remit.
5. The application and user fee will move to TEDS only after both have been received. If there is only a 26 DLN entry on LINUS, then no application was received.
6. During the testing phase, the filer will receive a confirmation email with the name and contact telephone number of a TEGE HQ analyst for questions. Once the new process has tested successfully, the email will contain the toll-free number.
7. Only EP user fees will be accepted online at this time.

IRM 21.3.8.12.6.1 - Added a Note to (2) about the occasional need to deviate from the standard procedures; added an Exception about colleges and universities showing auto-revoked on IDRS; deleted the disclosure dates for 2011 and added the dates for 2013; provided the mailing address in (5) for returns due while an application is still being processed.

2. Use the following chart to determine to what extent you may reveal information about an organization's revocation:

NOTE: Special circumstances (e.g., disasters such as Hurricane Sandy) may occasionally require you to deviate from these procedures. Your manager/lead will notify you when special procedures apply, and the relevant information will be added to the TEGE Research Portal .

CAUTION: The disclosure dates for authorized callers in the table below are based on the best estimate of the mail out date for that cycle's auto-

revocation notices (CP 120-A). If an authorized caller makes it clear that the organization has already received a CP 120-A for the current cycle, then treat the organization as revoked *even if the call is prior to the disclosure dates shown below.*

EXCEPTION: If you get a call (from an authorized or unauthorized party) from or about a college or university in status 97, tell the caller that additional research must be performed before we can provide information about their exempt status, filing requirements, need to re-apply, etc. Prepare a Form 4442 referral to your lead, who will forward the information via email to the HQ analyst. The HQ analyst will consult with EO HQ, who will provide a response for the call back to the organization/third party.

If the status 97 date is	Then you may not reveal the automatic revocation status TO AN AUTHORIZED CALLER until on or after	Then you may not reveal the automatic revocation status TO AN UNAUTHORIZED CALLER until on or after
201111 and 201112	February 8, 2012	N/A
201201	February 29, 2012	March 12, 2012
201202	April 4, 2012	April 9, 2012
201203	May 2, 2012	May 14, 2012
201204	May 30, 2012	June 11, 2012
201205	July 5, 2012	July 9, 2012
201206	August 1, 2012	August 13, 2012
201207	August 29, 2012	September 10, 2012
201208	October 3, 2012	October 8, 2012
201209	October 31, 2012	November 12, 2012
201210	November 28, 2012	December 10, 2012
201211 and 201212	January 30, 2013	February 11, 2013
201301	February 27, 2013	March 11, 2013
201302	April 3, 2013	April 8, 2013
201303	May 1, 2013	May 13, 2013
201304	May 29, 2013	June 10, 2013
201305	July 3, 2013	July 8, 2013
201306	July 31, 2013	August 12, 2013
201307	August 28, 2013	September 9, 2013
201308	October 2, 2013	October 14, 2013
201309	October 30, 2013	November 12, 2013
201310	November 27, 2013	December 9, 2013

5. If the caller asks about filing a taxable return, explain that the requirement begins with the effective date of revocation, i.e., the submission/filing due date of the third year's return. See IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements," for additional information.

EXAMPLE: If an organization that is a calendar year filer is revoked effective May 17, 2010, then, unless it applies for and receives exemption retroactive to the date of revocation, it should file a taxable return for the period from May 17, 2010, through December 31, 2010, and continue filing taxable returns until it terminates or it applies for and receives exemption.

REMINDER: If the organization has applied for reinstatement and would otherwise be a Form 990, Form 990-EZ, or Form 990-PF filer (had it not been auto-revoked), it must send a complete and timely EO return to EO Determinations for any tax period that ends while their application for reinstatement is still pending. The return should be sent to:
IRS - TEGE
P.O. Box 2508
Cincinnati, OH 45201

IRM 21.3.8.12.12.1(2)(f) - Removed failure to file a return as a criterion for removal from Pub 78 data.

2. Omissions to Pub 78 data may be due to a Service error or an error on the part of the organization. When contact is received regarding an organization's omission from Pub 78 data, consider the following questions:
 - a. *Should the organization actually be listed in Pub 78 data?* Pub 78 data not only contains a list of organizations described in IRC Section 170(c), it also contains the names of some well known religious denominations, even though these denominations do not have a group ruling. Many of their member churches may not have obtained individual exemption rulings (e.g., Greek Orthodox Archdiocese of N. and S. America and Affiliated Organizations). Similarly, local components or chapters of the American National Red Cross generally have not obtained individual exemption rulings, but Pub 78 data contains a generic listing for the "American National Red Cross and Its Constituent Chapters and Branches." There is a specific C letter which may be sent to local chapters of the American National Red Cross (Letter 4205C).

NOTE: Subordinates in a group ruling are generally not listed in Pub 78 data.

- b. *Is the determination relatively recent?*
- c. *Has the organization received a letter of exemption?*
- d. *Is it an organization to which contributions are considered deductible under IRC section 170?*
- e. *What EO information is found on the Master File (MF)?*

- f. *Is there an indication the omission from Pub 78 data is the result of the organization's failure to do something? (For example, status 20, 21, 32; no application filed; application closed FTE; failure to respond to notices.) If so, take the appropriate action to resolve that issue.*

IRM 21.3.8.14.4(9) - Added a Note that CP 430 is being obsoleted in January 2013.

9. Beginning in January 2009, two new TDI notices will be sent on delinquent accounts; CP 259-G is the first notice and CP 430 is the second notice.

NOTE: CP 430 is being obsoleted in January 2013.

Exhibit 21.3.8-12 - Added a time frame for EO speaker requests.

Speaker request (EO)	Email	*TE/GE-EO-CEO	10 business days	See IRM 21.3.8.5.1.3, "Miscellaneous Call Topics, Including Requests for IRS Speakers and Mailing Addresses, Filing Requirement Inquiries, Record Keeping, and Issues Beyond the Scope of Your Assigned Application." Refer to (8).
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