

IRM PROCEDURAL UPDATE

DATE: 11/18/2014

NUMBER: WI-21-1114-1604

SUBJECT: Reinstatements, Terminations, and Referrals

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

CHANGE(s):

IRM 21.3.8.3.8 - Broadened the Reminder in (1) to include the potential need to submit an EO Submodule Data Sheet and provided a link to the relevant IRM subsections; expanded the Exception in (3) by adding a change in BOD Code or BOD Client Code to the types of issues referred to EO Entity.

1. During the process of performing call-related research, any additional issues/problems discovered (within scope) must be addressed. The following list provides examples of some of the additional items you may discover and must address.

REMINDER: You may also need to research for the organization's compliance with its EO filing requirements or set up an EO submodule with EO filing requirements for the organization. See IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements," for additional details about filing requirement compliance and IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an EO Submodule for Organizations without a Submodule and for Organizations with a Pending Application," and the subsections that follow it for information about preparing and submitting the EO Submodule Data Sheet.

- a. A caller asks that you add a location address to the entity. In the process, you note that the PO Box is incorrect. Correct the PO Box as well.
- b. If a misspelling or other error in the name is observed, see IRM 21.3.8.9.2, "Name Changes - EO and FSLG," for additional information.
- c. When the information from a determination case "rolls" to Master File, the MF 030 date that displays on page 1 of EDS (if the case did not unpost from EDS) should match the date of a TC 016 on IDRS with a DLN in blocking series 990 - 999. When it is discovered that an EO submodule was not added/updated within two weeks from the date the determination application was closed (EDS/TEDS no-rolls), update Master File based on the closing information found on EDS/TEDS, unless the delay in "rolling" was caused by the end-of-year dead

cycles on IDRS (allow two weeks from the end of the dead cycles before treating as a "no roll"). Add a history item to AMS whenever possible; otherwise use IDRS. See IRM 21.3.8.9.10.1, "Definer Codes," specifically (1)(b), if INOLES shows a SOLE-PRP-SSN; this field must be deleted before the submodule can be added. If closing information is incomplete or not available (e.g., status 25 "P" cases), prepare a Form 4442 to the TEGE Adjustments Unit (EEFAX 855-204-6185), indicating "**NO-ROLL**".

NOTE: If the "NO-ROLL" organization had an advance ruling and the period expired prior to the date the advance ruling process was eliminated (and there is no indication that a Letter 1048 was issued), use foundation code 09 (no foundation rule) for the foundation code because IDRS will not allow you to input an expired date in the ARED field; give the organization 990-01 filing requirements.

EXCEPTION: This only applies to organizations with an ARED of 200805 and earlier. If the ARED is 200806 and later, simply add the submodule information without any ARED if the input date is later than the ARED showing on EDS/TEDS. See IRM 21.3.8.11.7, "Elimination of the Advance Ruling Process," and the subsequent subsections for additional information.

CAUTION: Do not attempt to give the organization a Form 941 filing requirement if there is already a Form 944 filing requirement on the account (even if the determination specialist coded the closing information on EDS/TEDS to show a Form 941 filing requirement) or your input will unpost.

- d. Advise the customer that due to a systemic problem, the on-line "lists" were not updated to reflect the exempt recognition. Assure the customer that you will initiate the corrections to the system.
- e. If the issue is omission from the on-line Publication 78 data caused by Service error and you were able to update Master File to correct the problem, advise the customer that the organization will appear in the next (or, depending on the timing, the following) online update. See IRM 21.3.8.12.12.1, "Publication 78 Data Omissions (Service Error - Non-Service Error)."
- f. Advise the customer the approximate time frame the organization will appear in the on-line system: For Online Exempt Organization Master File (EOMF), it may take up to 8 weeks. Online Publication 78 data is generally updated the second Monday of each month.
- g. If an EO submodule perfection not related to an EDS/TEDS No-Roll can be done based on information available while customer is on the phone, you must input the correction.

EXAMPLE: If EDS/TEDS research shows no "F" case and indicates a Letter 1048 was issued, but Master File still shows the organization

as a public charity with 990 filing requirement and an expired Advance Ruling Expiration Date (ARED), delete the ARED, change the foundation code to 04, and change the filing requirement to 990PF-3. This procedure applies only to organizations in status 01.

NOTE: If the effective date of exemption (status code date) of an organization with an individual ruling (affiliation code 1, 2, or 3) is showing all zeroes or otherwise needs to be corrected and the correct date cannot be determined from EDS/TEDS research, check BMFOLO for a deductibility year. If found, use January of that year for the status code date. For example, if BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on BMFOLO, use the ruling date for the status code date. For subordinate organizations (affiliation code 7 or 9), use the EIN establishment date. (See IRM 21.3.8.9.10, "TCs for the Entity Module," concerning the required input of definer code C fields when updating the EO submodule of a subordinate organization. Refer to paragraph (6)(i).) **Do not confuse a status code date of all zeroes with a ruling date of all zeroes.** See IRM 21.3.8.12.23, "Ruling Dates with all Zeroes on Organizations with Individual Exemption," if the ruling date of an individually-exempt organization shows all zeroes.

CAUTION: The oldest status code date that IDRS will accept is 190101. Use that date if the organization was formed before January 1901.

EXCEPTION: Central organization submodule changes can only be made by OSPC. If the submodule of a central organization needs to be corrected, prepare a Form 4442 referral to EO Entity (fax 801-620-7116) with the pertinent information.

- h. If a subordinate organization shows all zeroes for the ruling date, use the ruling date of the central organization to perfect the subordinate's submodule.
2. If information found on IDRS (e.g., foundation classification, filing requirements, deductibility of contributions) contradicts information contained in an IRS letter in the caller's possession and you cannot ascertain the correct information from EDS/TEDS research, advise the caller to send a copy of the IRS letter and a cover letter explaining the discrepancy to:
TEGE Correspondence Unit
P.O. Box 2508, Room 4024
Cincinnati, OH 45201

Express and Overnight Delivery
TEGE Correspondence Unit
Room 4024
550 Main Street
Cincinnati, OH 45202

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

3. If contradictory information is found on IDRS that cannot be corrected based on EDS/TEDS research (e.g., a foundation classification present on a non-(c)(3) organization, deductibility code 1 on an organization not normally described in IRC 170), explain to the caller that additional research must be performed before we can affirm the exemption of the organization in question. Take contact information from the caller and prepare a Form 4442 referral to the TEGE Correspondence Unit (EEFAX 855-204-6184) explaining the discrepancy. Request that the caller be contacted or sent an affirmation letter once the organization's administrative file has been researched and the discrepancy corrected. Advise the caller they should be contacted within 30 days (60 days for auto-revocation-related referrals).

EXCEPTION: If you find a discrepancy in the organization's employment code, BOD Code, or BOD Client Code, prepare a Form 4442 referral to EO Entity (fax 801-620-7116) with the necessary information.

IRM 21.3.8.5.1.1(9) - Added a cross-reference to IRM 21.3.6.4.1, "Ordering Forms and Publications," to the second bullet.

9. Provide assistance:

- Provide accurate and complete information, which includes giving a correct and complete technical answer. When a caller asks a specific technical question, provide a complete answer that is within the scope of your application or offer to prepare an appropriate referral (e.g., transfer to a different application or prepare a Form 4442). When providing a technical answer, cite the appropriate reference that supports the answer provided (e.g., publications, instructions to a form, revenue rulings, and revenue procedures). Citing an appropriate reference while speaking to the customer ensures that the information/answer provided is accurate. Additionally, by confirming the reference, we are educating the customer.

REMINDER: Use of the TEGE Probe and Response Guide (TEGE P&RG) is mandatory for topics for which pages have been developed. You are not required to read the responses verbatim, but you should cover all issues listed in the response in an accurate and complete manner.

NOTE: Do not simply refer the caller to form instructions or to a publication in lieu of providing a direct answer (or in lieu of preparing a referral) when she/he has a specific question, unless the question is broader in nature, e.g., "Do you have any publications that discuss applying for tax -exempt status?"

- When referring the customer to the appropriate reference, explain to the caller how to obtain forms/pubs via the self-help method, the IRS Web site, or if the caller prefers, place an order on his/her behalf. See IRM 21.3.6.4.1, "Ordering Forms and Publications," for detailed information about this procedure.
- Provide all information/guidance the customer needs to avoid another contact on the same issue.

EXCEPTION: If the caller wants help completing an entire (or almost an entire) form, schedule, or return, apologize and explain that you can help with specific lines or questions but that you are unable to go through the form line-by-line. Whenever possible, offer a self-help method for the caller (e.g., the Interactive Form 1023 on the IRS Web site).

- While addressing the caller's issue, if an unresolved secondary issue is discovered, take the appropriate steps to address the issue (e.g., penalty abatement, old advance ruling, entity/submodule perfections, etc.)

NOTE: This does not include contacting the organization about issues such as presumption of private foundation status or an expired advance ruling period if these issues are identified while performing research in the course of responding to an unauthorized third party.

- Use appropriate hold procedures. Use the hold feature, not the mute feature. Only place the caller on hold if you need to research information that is not readily available, to prepare a C letter, to make an online adjustment, etc. You must provide a reason for placing the caller on hold, ask for permission, and wait for a response. Do not keep the caller on hold for more than approximately five minutes without returning to the caller. If it is necessary to put the caller on hold again, apologize and provide an explanation. Ask if she/he is willing to continue to hold. Thank the caller for holding when you resume the call.
- As necessary, advise of appropriate time frames, identify situations that should be handled by the Taxpayer Advocate Service (TAS), or use appropriate referral procedures (Form 4442). See IRM 21.3.8.8.6, "Taxpayer Advocate Service Referral Guidelines, Including Congressional Inquiries, and Form 911, *Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order)*", and IRM 21.1.3.18, "Taxpayer Advocate Service (TAS) Guidelines," for additional information.
- Document account calls per the instructions in IRM 21.2.2.4.2.1, "IDRS History Items and Account Inquiry," and in IRM 21.2.2.4.5, "Account Management Services (AMS)." All documentation should, to the extent possible, be completed while the taxpayer is on the phone.

IRM 21.3.8.5.1.4(3) - Updated the information for Work Code 45 from "Extensions" to "2nd Erroneous Revocation."

3. The following Work Codes are utilized for cases on TEGE Rulings and Agreements Control (TRAC):

Work Code	Issue	Explanation
40	Copy Requests	Form 4506-A and other copy requests NOTE: All cases added to the system are added as Work Code 40, and the Work Code may not change until the case is closed. Therefore, avoid mentioning what the system indicates the issue is in order to prevent unnecessary confusion for the caller.
41	Letter	Affirmation letter requests, By-laws, Articles, changing members, listing of officers/members, phone number changes, dissolution requests (L 4197C)
42	Case Establishments	A, F, P, S or T NOTE: No new "T" cases have been established since November 2009.
43	Entity	Name, dba name, % name, address and sort name changes
44	FTE	FTE letter requests
45	2nd Erroneous Revocation	Acknowledgement that the second auto-revocation was erroneous and that the necessary steps have been taken to reinstate the organization's exemption
46	Letter Reprint	Letter reprinted (EDS) and acknowledgement letter (TEDS)
47	Misrouted	Misrouted mail NOTE: This work code is also used for EP correspondence controlled on the TRAC. See IRM 21.3.8.5.1.4.1, "Employee Plan Correspondence," for additional information.
48	Pub/Form Requests	Pub and form requests

49	Reinstatements	IDRS status codes 20, 21 and 32
50	Technical	Technical issues
51	Other	IDRS submodule updates, EDS no-rolls, 2848s, status checks and other
52	Expedite	Expedite requests
53	Status 97 on IDRS	Confirmation of auto-revocation
54	Erroneous Revocation	Acknowledgement that the auto-revocation was erroneous and that the necessary steps have been taken to reinstate the organization's exemption

IRM 21.3.8.5.2.4(1) - Added to the case types to be treated as unassigned those cases in status 52 that are assigned to a group instead of to an individual.

1. To ensure the best customer service, follow the procedures below:

If caller inquires about	Then
<p>An application that is closed on EDS/TEDS (statuses 00, 01, 02, 03, 04, 05, 06, 09, 11, 12, 13, or 21):</p> <p>NOTE: The favorable closed statuses are 00/01/06/09/13/21 (but be sure to check the F4 closing information to ensure there were no user fee payment problems before telling the caller the case was closed favorably). If the F4 screen flashes a message about the user fee payment, prepare a Form 4442 referral to the EO Adjustments Unit (EEFAX 855-204-6185) for authorized callers only.</p> <p>REMINDER: Be sure that the letter shown on the initial EDS/TEDS screen is consistent with the closing code. If it is discrepant, inform the caller that additional research is required and prepare a Form 4442 referral to the EO Correspondence Unit</p>	<ol style="list-style-type: none"> 1. Do not refer the caller to the determination specialist that closed the case before attempting to provide assistance. <p>NOTE: DO NOT provide the telephone number of the employee named on Letter 1042 (status 03 closures); see Step 6 below.</p> <ol style="list-style-type: none"> 2. Advise the caller that since the application is closed, the determination specialist no longer has the application and you can provide assistance to him/her. 3. Probe to determine the issue. 4. Provide the appropriate guidance/referral to address the customer's issue. 5. See IRM 21.3.8.12.17, "EO Case Development: Cases in Suspense Status (Status 37, EDS Letter 4587) and Cases in Failed

<p>(EEFAX 855-204-6184).</p>	<p>to Establish (FTE) Status (Status 11 and Status 12, EDS Letter 1314)," and IRM 21.3.8.12.17.2, "Failed to Establish - Additional Information Letter (1312/1313) Requests and Lost Response to Additional Information Requests on I and S Cases Closed 11 or 12 Prior to July 25, 2010," if the case closed FTE and caller states he/she previously responded or did not receive letters.</p> <p>6. See IRM 21.3.8.11.1.1.1, "Processing Applications (Other Than Form 1023-EZ) That Are Substantially Incomplete (Letter 1042) and Other Long Form Status 03 Closures," for EO applications in status 03.</p> <p>7. See IRM 21.3.8.5.1.3.2, "Status of Pending EO Determination/Application Requests," for EO cases in status 04.</p> <p>8. See IRM 21.3.8.5.1.3.3, "Status of Pending EP Determination/Application Requests," for EP cases in statuses 03/05 or status 04.</p>
<p>An EP application in status 08</p>	<p>This status is used for the submission of a Form 5310-A, <i>Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business</i>, and is considered neither favorable nor adverse. These applications are not reviewed by a specialist, as they are just an information filing. No letters are issued on these submissions.</p>
<p>An EO case in suspense status 37 EXCEPTION: See below for EO</p>	<p>Refer to IRM 21.3.8.12.17, "EO Case Development: Cases in Suspense Status (Status 37, EDS</p>

<p>cases in status 37 being worked outside the Cincinnati POD when the caller states the determination specialist failed to call him/her back.</p>	<p>Letter 4587) and Cases in Failed to Establish (FTE) Status (Status 11 and Status 12, EDS Letter 1314)."</p>
<p>The status of a determination application that is assigned to a determination specialist (statuses 32/33/52/53/72/73, as well as status 62 for EP):</p> <p>CAUTION: Treat cases in status 52 with determination specialist number 50250, cases in status 52 showing assigned to a group instead of to an individual, or EO cases in technical screening (status 60/62) as unassigned cases. See IRM 21.3.8.5.1.3.2.</p> <p>NOTE: Always verify on the second F6 screen that the case is assigned to an individual and not to a special project type. See IRM 21.3.8.5.1.3.2, "Status of Pending EO Determination/Application Requests," for additional information on EO cases.</p>	<ol style="list-style-type: none"> 1. If appropriate, explain that the application has been assigned. 2. Explain that, if the determination specialist needs additional information, he or she will contact the organization. 3. Explain that, depending upon the number of applications assigned to the determination specialist, it could be one or two months before the customer hears something from the determination specialist. 4. Provide the caller with the determination specialist's name and direct phone number, but do not offer to transfer customer to the determination specialist. Ensure that you are giving the caller the name and telephone number of the determination specialist to whom the case is assigned. <p>NOTE: If the telephone number for the determination specialist is listed as 513-263-4453 or 877-829-5500, research available sources to find the direct number for the determination specialist. DO NOT GIVE THE CALLER THE CORRESPONDENCE UNIT'S TELEPHONE NUMBER FOR ASSIGNED CASES.</p> <ol style="list-style-type: none"> 5. Only in the case where the

	<p>customer complains about having to pay for a call to the determination specialist, offer the alternative of obtaining the customer's information and sending a referral to the determination specialist (via your manager/lead) for a call-back. Advise customer he/she can expect a call-back within 5 business days.</p>
<p>An assigned case (statuses 32/33/52/53/72/73, as well as status 37 for EO cases worked outside the Cincinnati POD and status 62 for EP) because he/she did not receive a response to a previous inquiry or was consistently unable to leave a voice mail for the determination specialist because his/her mailbox was full</p> <p>NOTE: Always verify on the second F6 screen that the case is assigned to an individual and not to a special project type. See IRM 21.3.8.5.1.3.2, "Status of Pending EO Determination/Application Requests," for additional information on EO cases.</p>	<ol style="list-style-type: none"> 1. Document the caller's <ul style="list-style-type: none"> ○ Name ○ Telephone number ○ Summary of the inquiry <p>NOTE: There is a template available on the TEGE Call Site Research Portal under People titled "Request for Determination Specialist to Return Call" which you may use for this purpose.</p> 2. Send an encrypted email to your manager/lead with the contact information as an attachment with an indication of the issue: MULTIPLE REQUESTS/CONTACT ATTEMPTS, "Determination Specialist Return Call Request." Include the group number of the assigned specialist, along with the manager's name and phone number, in your email. 3. Your manager/lead will forward the information to the determination specialist's manager (and will cc: the HQ analyst), per local procedure, for the caller to be contacted within 10 business

	days.
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IRM 21.3.8.9.9(1) - Added an example to illustrate the timing of an organization's inclusion in the online Publication 78 data.

1. When updating the EO submodule of an organization described in IRC 170(c) on Master File to status "01" and the organization is entitled to receive deductible contributions, **DO NOT** input cum list indicator (CUM-LIST-IND) 3. The update itself adds the organization to the monthly update of the online Publication 78 data that follows the MF extract pulled after the posting of the information to Master File.

EXAMPLE: An organization calls because they are not listed in the online Publication 78 data even though they have had a formal exemption under IRC 501(c)(3) for several years. The CSR researches IDRS and determines that the organization is not included because the organization's affiliation code on IDRS is zero (0). The assistor inputs a correction to IDRS to give the organization an affiliation code three (3) on May 15. If the assistor's transaction does not unpost, the organization should appear in the Publication 78 data no later than the July update. If the organization does not appear in the Publication 78 data by then, the assistor should prepare a Form 4442 referral to the HQ analyst. See paragraph (5) of IRM 21.3.8.12.12.1, "Publication 78 Data Omissions (Service Error / Non-Service Error)," for additional details.

IRM 21.3.8.10.2.12(4) - Added a Reminder that use of the TEGE Probe & Response Guide is mandatory if the organization determines it qualifies under IRC 501(c) and asks about applying for exemption and that an EO Submodule Data Sheet must be prepared if the organization intends to submit a Form 990-N.

4. If this new field needs updating, use CC ENREQ/BNCHG Doc Code 63. If the 527 political organization calls Customer Account Services (CAS) and states:
 - o It is not required to file Form 8871, then update 527-IND field with a "2".
 - o It has to file both Form 8871 and Form 8872, then update 527-IND field with a "4".
 - o It has to file Form 8871, but not Form 8872, then update 527-IND field with a "5".

NOTE: If you determine that the entity does not qualify as an IRC 527 political organization, input a "9" to delete the indicator.

REMINDER: If a caller asks about applying for exemption, use of the TEGE P&RG, located on SERP, is mandatory. If the organization is going to submit a Form 990-N, prepare the EO Submodule Data Sheet.

IRM 21.3.8.11.8 - Explained in (9) what applicants who submit a Form 1023-EZ receive for an acknowledgement and added a Note with information about rejected payments; added a Note to (13) with a procedure for organizations that did not receive Letter 1049; added a Note to (14) with a procedure for organizations that did not receive Letter 1312.

9. Form 1023-EZ applicants do not receive an acknowledgement letter giving them a DLN, etc.; however, they should receive an email acknowledging the payment within minutes of submission.

NOTE: If the payment is ultimately rejected by pay.gov, the applicant will receive a rejection email within two weeks of submission.

13. Applicants whose Forms 1023-EZ are rejected are sent Letter 1049, *Form 1023EZ Rejection*. This letter explains the reason(s) for the rejection and whether the user fee is being returned. This information is embedded in the body of the letter and is generated from paragraphs selected by the tax examiner/determination specialist working the application. These applications are closed with status 03 on EDS.

NOTE: If the caller states that the organization did not receive the Letter 1049 and it has been at least two weeks since the case was closed on EDS, verify the address on EDS and, if it is correct, prepare a Form 4442 referral to the TEGE Adjustments Unit (EEFAX 855-204-6185). If the address needs to be changed/corrected, instruct the caller to send an updated address to the Adjustments Unit, along with a request for a copy of the Letter 1049. If the caller cannot fax the information, the request may be mailed to:

Internal Revenue Service
TEGE Room 4024
PO BOX 2508
Cincinnati, OH 45201

Tell the caller to allow up to 30 days to receive a copy of the Letter 1049.

If it has not been at least two weeks since the case was closed on EDS, tell the caller to allow two weeks for mailing time.

14. Some applicants whose Forms 1023-EZ require additional information before a determination can be made are sent Letter 1312, *Request for Additional Information*, and are given 21 days to respond (these cases should show assigned to a specialist). If the applicant doesn't respond within the 21 days

(or request and receive a response date extension), the case is closed status 03 and Letter 1049 is issued.

NOTE: Letter 1312 does not display on EDS. If the caller states that the organization did not receive the Letter 1312, verify the address on EDS and, if it is correct, prepare a Form 4442 referral to the TEGE Adjustments Unit (EEFAX 855-204-6185). If the address needs to be changed/corrected, instruct the caller to send an updated address to the Adjustments Unit, along with a request for a copy of the Letter 1312. If the caller cannot fax the information, the request may be mailed to:

Internal Revenue Service
TEGE Room 4024
PO BOX 2508
Cincinnati, OH 45201

Tell the caller to allow up to 30 days to receive a copy of the Letter 1312.

IRM 21.3.8.12.5.4.1 - Clarified in (2)(f) that the 60-month period must begin at the start of a tax period; clarified in (6) that the beginning of the 60-month period is based on the starting date requested by the organization undergoing the 60-month termination.

2. Such notification must contain the following:
 - a. Name and current address of the private foundation
 - b. Its intention to terminate its private foundation status
 - c. Code section under which it seeks classification (IRC 509(a)(1), (2), or (3))
 - d. If IRC 509(a)(1) is applicable, the clause of IRC 170(b)(1)(A) involved
 - e. Date its regular taxable year begins
 - f. Date of commencement of the 60-month termination period (must be the beginning of a tax period). Requests must be signed by a principal officer of the organization or by a valid POA.

6. If the Service accepts the organization's request, the organization receives a letter informing it when its 60-month period begins and ends (based on the starting date requested by the organization). The letter also explains to the organization that it must supply information within 90 days after the end of the 60-month period showing that it met the applicable public support test. This information may be a completed Form 8734 or the applicable support schedule from Schedule A of the Form 990.

IRM 21.3.8.12.5.5(2) - Clarified how an organization would notify the IRS if it chose not to apply for formal exemption after changing subsections and added a Caution about IRC 501(c)(3) organizations generally needing to dissolve and distribute assets before changing subsections or becoming certain entity types.

2. Formal exemption cannot be transferred from one subsection to another. If the organization with formal exemption is changing to a subsection that has an application requirement, the organization will have to apply for exemption and pay the appropriate user fee. If an organization with formal exemption is changing to a subsection that does not have an application requirement, it may choose not to apply for formal recognition under the new subsection, but it is still required to notify the Service of the termination of its existing exemption by sending the information to the Correspondence Unit at the address shown in paragraph (3) below. If the organization asks about applying for formal exemption under the new subsection, use of the TEGE P&RG is mandatory except when the organization has been auto-revoked, whether or not it is in status 97.

NOTE: If the organization forms a different entity (e.g., if it was previously an unincorporated association that has incorporated, or if it was a corporation in one state and has reincorporated in a new state), then it must apply for a new EIN before it applies for exemption for the new entity unless the reorganization qualifies under IRC 368(a)(1)(F) [i.e., conducting the same activities in the new state with the same assets], in which case it must still apply for exemption but is not required to get a new EIN.

CAUTION: Organizations exempt under IRC 501(c)(3) generally cannot change to a different subsection of IRC 501(c) or to a different entity type (e.g., IRC 527 or a for-profit business) without dissolving the organization and distributing the assets per the terms of its organizing document.

IRM 21.3.8.12.6(2) - Supplemented the status 20 procedures with a reference to organizations that have been in existence for less than three years.

2. The information required to be submitted for reinstatement depends on the organization's current status on Master File:

If the organization is in	Then
Status 21	<ol style="list-style-type: none"> 1. Check EDS/TEDS for a "T" case. 2. If there is a closed "T" case, the organization must reapply. 3. If there is not a closed "T" case, research IDRS to confirm that the

	<p>organization filed at least one annual information return (including the Form 990-N) or has at least one satisfying transaction for the most recent three tax years. If none is found, inform the caller that our records indicate that the organization's exemption is due to be revoked for failure to file the required returns for three consecutive years. If found:</p> <ul style="list-style-type: none"> •verify the organization's mailing address •update the address on IDRS (as appropriate) <p>4. Update the EO submodule to reflect the prior EO status code (see the Note below the table if the prior status is status 31 or status 40), using the effective date from EDS/TEDS whenever possible, and give the organization the appropriate filing requirements.</p> <p>NOTE: If the effective date cannot be determined from EDS/TEDS research, check BMFOLO for a deductibility year. If found, use January of that year for the status code date, e.g., if BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on BMFOLO, use the ruling date for the status code date for organizations with affiliation code 1, 2, or 3. For subordinate organizations (affiliation code 7 or 9), use the EIN establishment date.</p> <p>EXCEPTION: If the organization is preparing to file a Form 990/Form 990-EZ/Form 990-PF or if the organization is eligible to submit a Form 990-N for its most recently-completed tax period <i>and the return is not yet delinquent</i>, there is no need to update the</p>
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	<p>organization's status on IDRS unless other circumstances require it. When the return or e-Postcard is processed, the status of the organization will be updated to status 01 or to the status it held prior to status 21. Additionally, the AOR will be updated to the address provided on the return/e-Postcard. If the organization has not filed a return for the previous two periods, stress to the caller that the organization must file a complete and timely return for the third year or its exemption will be automatically revoked.</p> <p>REMINDER: Call site assistors should not update the submodules for central organizations (affiliation codes 6 and 8), but rather should prepare a Form 4442 referral to EO Entity (fax 801-620-7116). See IRM 21.3.8.9.10, "TCs for the Entity Module," for additional information. Refer to (6)(h).</p> <p>5. See IRM 21.3.8.11.7.1, "Requests for Affirmation Letters from Organizations Showing an ARED on IDRS," if the ARED is 200806 or later. If the organization has an expired advance ruling date (200805 or earlier) or has been made a presumptive PF, research EDS/TEDS for an "F" case.</p> <ul style="list-style-type: none"> •If a closed "F" case is found, update IDRS based on the EDS/TEDS information and send an affirmation letter if appropriate. •If no closed "F" case is found, prepare Letter 4164C, <i>Form 8734 Needed/Advance Ruling Expired Letter</i> and inform the caller that the organization will also have to submit Form 8940 and the appropriate user fee (see Rev. Proc. 2014-8 or its successor for the current fee).
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	<p>6. If no "F" case is found on EDS/TEDS and the organization has a foundation code 09, see IRM 21.3.8.12.5.4, "Change in Foundation Classification." Refer to paragraph (7).</p> <p>7. If neither 5 nor 6 above applies, prepare the appropriate affirmation letter.</p> <p>8. If the organization is a 990 filer, ensure that the organization knows it must file a Form 990 if its annual gross receipts are normally more than \$50,000 ; if the organization's annual gross receipts are normally \$50,000 or less, make sure the organization is aware of the Form 990-N filing requirement. See IRM 21.3.8.12.24, "Annual Electronic Notice Filing Requirement, Form 990-N." If the organization is a private foundation, instruct the caller to file any delinquent Forms 990-PF, if applicable.</p> <p>REMINDER: Private foundations must file an annual Form 990-PF regardless of their gross receipts.</p>
Status 20	<p>Using the status code date for month/year, inform the caller that our records indicate that the organization terminated as of (month/year) and that the organization will need to reapply if it wishes to be formally recognized as tax exempt.</p> <p>If the caller says the organization never terminated and asks how to reinstate the existing exemption, research BMFOLI to determine whether the organization filed at least one Form 990 series return (MFT 44 or 67) for the most recent three tax periods.</p> <ul style="list-style-type: none"> ○ If yes (or if the organization has not been in existence for three years or if the organization was

	<p>not required to file a return, e.g., a church), prepare Letter 4189C (Reinstatement Letter) and instruct the caller to send the response to: TEGE Correspondence Unit P.O. Box 2508, Room 4024 Cincinnati, OH 45201</p> <p><i>Express and Overnight Delivery</i> TEGE Correspondence Unit Room 4024 550 Main Street Cincinnati, OH 45202</p> <p>The information may also be faxed to EEFAX 855-204-6184.</p> <ul style="list-style-type: none"> o If no, prepare a Form 4442 referral to the Correspondence Unit (EEFAX 855-204-6184).
<p>Status 32</p> <p>NOTE: No new organizations have been put into this status since January 2008.</p>	<p>1. Research BMFOL/TXMOD to determine if a Form 990/990-EZ has posted (TC 150) or was received for processing (TC 594/599) after the Status 32 date.</p> <p>a. If a Form 990/990-EZ has posted or was received for processing, update the status to the status the organization had prior to the 32 with 990-01 FR and continue addressing the caller's issue.</p> <p>NOTE: If the effective date cannot be determined from EDS/TEDS research, check BMFOLO for a deductibility year. If found, use January of that year for the status code date, e.g., if BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on BMFOLO, use the ruling date for the status code date for organizations with affiliation code 1, 2, or 3. For subordinate organizations (affiliation code 7 or 9), use the EIN establishment date.</p>

	<p>b. If no Form 990/990-EZ has posted or was received for processing after the status 32 date, research IDRS to confirm that the organization filed at least one annual information return (including the Form 990-N) or has at least one satisfying transaction for the most recent three tax years. If none is found, inform the caller that our records indicate that the organization's exemption is due to be revoked for failure to file the required returns for three consecutive years. If found, continue to Step 2.</p> <p>2. Check EDS/TEDS for an "F," "P," or "A" case closed after the Status 32 date.</p> <p>a. If a closed case is found, update the status and filing requirements based on the EDS/TEDS information and continue addressing the caller's issue.</p> <p>NOTE: If EDS/TEDS shows a closed "T" case, the organization must reapply. Perfect the EO submodule to reflect EO status 20 to agree with the termination per the EDS/TEDS record.</p> <p>b. If no "F," "P," "A," or "T" case is located:</p> <ul style="list-style-type: none">o Advise the caller that the organization was put into a non-filer status because we did not receive a return or a response to a notice sent to them regarding filing Form 990.o Advise the caller that the organization needs to file Form 990 or submit a Form 990-N in order to update the status. <p>NOTE: If the organization has</p>
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	<p>not filed a return for the previous two periods, stress to the caller that the organization must file a complete and timely return for the third year or its exemption will be automatically revoked.</p> <ul style="list-style-type: none"> ○ Probe caller to determine the gross receipts/assets and advise caller if eligible to file Form 990-EZ or to submit Form 990-N. ○ Recommend to the caller a self-help method of obtaining forms and explain what is needed. See IRM 21.3.8.3.7, "Ordering Forms and Publications." ○ Advise caller of the normal due date of the return. If the return is being filed late, advise the caller that a notice may be generated assessing a daily delinquency penalty when the return is posted. Advise the caller about reasonable cause abatement procedures. <p>NOTE: This does not apply to the Form 990-N.</p> <ul style="list-style-type: none"> ○ Verify the organization's mailing address and update IDRS as necessary. <p>NOTE: If the organization has an expired ARED (200805 or earlier), inform the caller that the organization will also have to submit a completed Form 8940 and a Form 8734 (or a copy of its completed Form 990 Schedule A), as well as the appropriate user fee (see Rev. Proc. 2014-8 or its successor for the current fee), to: Internal Revenue Service P.O. Box 12192 Covington, KY 41012</p>
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	<p>Express mail or private delivery service:</p> <p>Internal Revenue Service 201 West Rivercenter Blvd Attn: Extracting Stop 312 Covington, KY 41011</p> <p>If the organization has a foundation code 09, see IRM 21.3.8.12.5.4, "Change in Foundation Classification." Refer to paragraph (7).</p> <p>3. See IRM 21.3.8.7.3, "Choosing the Appropriate Letter," if the caller was requesting an affirmation letter.</p>
Status 26	<p>Instruct the caller to explain in writing that the organization was merged into another organization in error and to send the request for reinstatement to:</p> <p>IRS</p> <p>Attn. EO Entity</p> <p>Mail Stop 6273</p> <p>Ogden, UT 84201</p> <p>or</p> <p>Fax: 801-620-7116</p>
Status 98	<p>NOTE: Do not send any CAS correspondence to an organization in status 98.</p> <p>1. If an organization wants to request a reversal of its suspension, an officer of the organization must complete a signed request verifying that all information submitted is correct, and</p>

	<p>send to:</p> <p>Office of Foreign Assets Control (OFAC)</p> <p>U.S. Department of the Treasury</p> <p>Treasury Annex 1500 Pennsylvania Avenue NW</p> <p>Washington, DC 20220</p> <p>2. OFAC reviews their request and provides written verification if the suspension is removed. See IRM 21.3.8.9.8, for information on Status Codes.</p>
<p>Status 97 (including organizations that have been organized and operated for more than three fiscal periods prior to the call and have not filed an information return or submitted an e-Postcard for three consecutive years for periods that began after December 31, 2006, unless they meet one of the exceptions to the filing requirements imposed by the Pension Protection Act of 2006 (e.g., churches) but that aren't in status 97 on IDRS)</p>	<p>Explain to the caller that the organization's exemption was automatically revoked for failure to file a required information return for three consecutive years and that it must file for exemption if it intends to operate as a tax-exempt organization. For additional information, see IRM 21.3.8.12.6.1, "Responding to Calls From or About Organizations in Status 97."</p> <p>NOTE: If the organization still shows an unresolved ARED on its original ruling and was not presumed to be a private foundation, it is not required to submit the Form 8734 with its application, as that information is irrelevant to the new application.</p>

NOTE: If the prior EO status is other than 01 or 36:

- For prior status 31, update the organization back to status 31 and provide Form 1023/Form 1023-EZ and Form 990-N submission guidance.
- For prior status 40, advise the caller that, based on our records, the organization is required to file an application for a formal determination (Form 1023/Form 1023-EZ for 501(c)(3); Form 1024 for 501(c)(9) or (17)). Provide the appropriate application filing guidance and explain that the organization is not eligible to file an information return or to submit a Form 990-N until it is formally recognized as tax exempt.

IRM 21.3.8.12.12.1(5) - Added a new paragraph with a procedure to prepare a referral to the HQ analyst if the assistor cannot determine why an organization does not appear in the online Publication 78 data.

5. If an organization does not appear in the online Publication 78 data, there have been at least two monthly updates since the IDRS transaction that should have triggered the organization's inclusion, and you cannot determine why the organization is not included, prepare a Form 4442 referral to your lead to be forwarded to the HQ analyst.

IRM 21.3.8.12.16(1) - Added a Reminder that organizations cannot file an EO return unless they have already filed a paper EO return or unless they were given an EO submodule and EO filing requirements via the submission of an EO Submodule Data Sheet.

1. The following exempt organization returns can be filed electronically through an approved IRS 990 e-file provider:
 - o Form 990
 - o Form 990-EZ
 - o Form 990-PF
 - o Form 8868
 - o Form 1120-POL
 - o Form 7004

NOTE: Many states also allow exempt organizations to file their returns with them through this program.

EXCEPTION: Organizations may submit their Form 990-N directly via the IRS Web site and do not need to go through an e-file provider unless they are submitting the form for a previous period.

REMINDER: If the organization does not have an EO submodule and valid Form 990 or Form 990-PF filing requirements, it will not be able to file an EO return electronically until it has filed its initial return on paper or an EO submodule has been created for the organization via the submission of an EO Submodule Data Sheet.

IRM 21.3.8.12.18(3)(c) - Added a cross-reference to IRM 21.3.5.4.4.2, "Media Contacts."

3. If the entity has an individual ruling and is showing in 01 or 25 status on IDRS, follow steps a - d below for organizations in status 01 and step d only for organizations in status 25:
 - a. Advise the caller you can prepare a letter that is not the original letter, but has a current date and affirms exempt recognition and the date of the original ruling. Inform the caller that the letter will be received in 10 -14 business days.
 - b. If the caller does not insist on having a copy of the original letter, prepare the appropriate affirmation letter.
 - c. If the caller insists on having a copy of the original EDS/TEDS letter, advise the caller a written request must be submitted because a copy of the original letter will need to be retrieved from the original file. The request must be on Form 4506-A, *Request for Public Inspection or Copy of Exempt Organization Tax Form*.

EXCEPTION: Media requestors may use either Form 4506-A or a letter containing the same information as the Form 4506-A. See IRM 21.3.5.4.4.2, "Media Contacts," if the caller is from the media.

NOTE: See IRM 21.3.8.3.4.1.3, "Exempt Applications for Rulings Prior to January 1, 1948," if the ruling date of the organization in question is older than January 1948.

- d. Advise the caller to submit the written request by fax or mail:
EEFAX 855-204-6184
OR mail

Regular Postal Delivery

Internal Revenue Service
Room 4024
P.O. Box 2508
Cincinnati, OH 45201

Express and Overnight Delivery

Internal Revenue Service
Room 4024
550 Main Street
Cincinnati, OH 45202

IRM 21.3.8.14.1.1(4) - Added a Note to provide the procedure a terminated IRC 527 organization would follow if it had not been required to file a Form 8871.

4. If an organization that was required to file a Form 8871 **terminates** its political organization exempt status under IRC 527, it must file a final Form 8871 within 30 days of termination.

NOTE: If the terminating IRC 527 organization was not required to file the Form 8871, it should notify the Service of the termination by sending a letter to EO Entity:

IRS

EO Entity, MS 6273

Ogden, UT 84201

The information may also be faxed to 801-620-7116.