

IRM PROCEDURAL UPDATE

DATE: 03/30/2016

NUMBER: WI-21-0316-0628

SUBJECT: eAuthentication Registration and Form 990-N Submission Procedures

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

CHANGE(s):

IRM 21.3.8.4.1.4(1) - Removed the reference to the Form 990-N from the Reminder.

1. Form 2848/Form 8821 can be accepted via fax, if they contain the necessary information. If a Power of Attorney (POA)[Form 2848] or appointee [Form 8821] is going to fax in a Form 2848/Form 8821 (other than a "special use" power being faxed directly to the attention of the assistor responding to the call), advise the POA/appointee to include a short note of explanation on the fax cover sheet or in a cover letter.

REMINDER: TEGE call site assistors may accept faxed Form 2848/Form 8821 for "special use" situations (e.g., to discuss reinstatement procedures for an organization in status 20 or to collect information for an EO submodule), for application status checks, and to resolve/discuss account issues. See (5) below for information on the post-call handling of authorization forms faxed to call site assistors.

NOTE: You may accept an authorization that is not on Form 2848 or Form 8821 *as long as it contains the information that corresponds to the required fields of those forms*. However, the authorization is valid only for the purpose of that call and must be destroyed as classified waste at the conclusion of the call. If the caller wants the authorization to be valid on a more permanent basis, instruct the caller to submit a properly-completed Form 2848 or Form 8821.

IRM 21.3.8.5.1.3 - Removed the reference to the Form 990-N from the Reminder in (2); updated the contact information for speaker requests in (8).

1. If the caller identifies him/herself as an **IRS employee**, apologize for not being able to assist, and instruct him/her to follow his/her functional unit's internal procedure for technical support.

NOTE: This applies only to IRS employees asking *work-related* questions. You may respond to the employee's questions that are not related to his/her official duties (e.g., about organizations with which the employee is affiliated), but the normal disclosure rules apply.

2. If a caller wants to submit a Form 2848/8821 to be added to EDS/TEDS for a status check on a pending determination application:
 - a. Instruct the caller to fax the form to: EEFAX 855-204-6184 (TEGE Correspondence Unit).
 - b. Advise caller that valid authorizations are added within 5 business days and he/she may call back after at least 5 business days.
 - c. Advise caller that an authorized officer within the organization/plan may call anytime to check on the status.

REMINDER: TEGE call site assistors may accept faxed Forms 2848/Forms 8821 for "special use" situations (e.g., to discuss reinstatement procedures for an organization in status 20 or to collect information for an EO submodule), for application status checks, and to resolve/discuss account issues. Refer to (5) in IRM 21.3.8.4.1.4, "Form 2848/Form 8821 Fax Submissions," for information on the post-call handling of authorization forms faxed to call site assistors.

3. If a caller states it has been more than 5 business days since he/she previously faxed Form 2848/8821 to be added to EDS/TEDS and the authorization is not on EDS/TEDS: Advise caller to re-fax the form and annotate "second request."
4. If the caller wants to withdraw a pending EO or EP application, explain to the caller that the request must be in writing and must be signed by an authorized individual. If the caller is authorized, research EDS/TEDS for the current status and inform caller where to send the request for withdrawal based on that information. Generally, user fees are not refunded on withdrawn applications.
5. If the caller is requesting a letter that can be prepared using information available from IDRS/EDS/TEDS, or if sending a letter is pertinent to the caller's issue (e.g., reinstatement, etc.):
 - a. Advise the caller that if he/she is willing to hold, the letter can be prepared. See IRM 21.3.8.7.3, "Choosing the Appropriate Letter."

NOTE: Assistors should limit callers to one letter per telephone contact. If the caller requires multiple letters, he/she must call back for each individual request or make the remaining requests in writing to the EO Correspondence Unit:
TEGE Correspondence Unit
P.O. Box 2508, Room 4024
Cincinnati, OH 45201

EEFAX 855-204-6184

Express and Overnight Delivery

TEGE Correspondence Unit
Room 4024
550 Main Street
Cincinnati, OH 45202

REMINDER: Outgoing correspondence cannot be faxed. The caller should receive the IDRS C letter in 10 - 14 business days.

If	Then
The caller is willing to wait:	1. Place the caller on hold and prepare the appropriate letter. 2. Written documentation is not required on these cases.
The caller is unwilling or unable to wait:	1. Conclude the call. 2. Go into "wrap" and complete the letter. 3. Written documentation is not required on these cases.

- b. Although the information included in the affirmation letters directed to the organizations themselves is open to the public under IRC 6104, these letters should be sent only to the Address of Record (AOR). If a caller wants an affirmation letter sent to an address other than to the AOR, you must prepare the third -party affirmation letter. This includes situations where the organization has a new address, but the caller is not authorized to initiate an address change on IDRS. You can comply with the caller's request for an affirmation letter by preparing a third - party letter and using the organization's name and its new address.

NOTE: Be sure to advise the caller to submit a completed Form 8822-B (or a letter containing that information) to have the organization's mailing address changed in our records. Provide the caller with the mailing address or fax number for the submission of the Form 8822-B/written request. See IRM 21.3.8.9.5, "Address Changes/Misdirected Mail," for additional information.

- 6. If the caller is inquiring whether his/her organization is required to file a Form 990 series return, use of the TEGE PRG is mandatory.

NOTE: If the caller indicates the organization is not required to file, confirm that the organization's address of record is current.

REMINDER: If the caller is required to file a return that is already delinquent, explain the reasonable cause criteria. If the organization chooses to attach a letter of explanation to the delinquent return, it must retain a copy of the letter that it can use to respond to any penalty notice it receives.

7. If the caller asks about record-keeping requirements for exempt organizations, refer the caller to:
 - o The IRS Web site
 - o Publication 583, *Starting a Business and Keeping Records*
 - o Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*, Publication 4221-PF, *Compliance Guide for 501(c)(3) Private Foundations*, or Publication 4221-NC, *Compliance Guide for Tax Exempt Organizations (other than 501(c)(3) Public Charities and Private Foundations)*, as applicable
 - o Publication 1828, *Tax Guide for Churches and Religious Organizations*, if applicable
8. If a caller requests information on having an IRS speaker address his/her organization, send an email with the following information to *TEGE Outreach with the subject line "EO Speaker Request" and tell the caller to expect to be contacted within 10 business days:
 - o Name of the individual to be contacted and his/her position within the organization
 - o 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
 - o Name of the organization requesting the speaker. Is this organization sponsoring the event?
 - o Title of event, e.g., general group meeting, statewide meeting, national conference
 - o Location of the organization/speaking event, including the street address and city
 - o Date for which the speaker is being requested and a proposed time and length of speech
 - o Approximate number of attendees
 - o Topics to be addressed/covered by speaker

IRM 21.3.8.12.24(10) - Added a Note explaining that multiple ePostcards could be submitted for the same EIN and fiscal period but that only the first successful submission posts to master file as a TC 150 and displays on Select Check.

10. Forms 990-N are open to public disclosure and inspection under IRC 6104. Like the other returns in the Form 990 series, they will post to Master File as a TC 150, but they will have the **distinct doc code** (fourth and fifth digits of the DLN) of **89**.

NOTE: If more than one registered user successfully submits a Form 990-N for the same EIN and the same fiscal period, the system will accept the multiple submissions, but only the first one accepted will display on Select Check and post to master file with a TC 150. All subsequent accepted

ePostcards for the same EIN and period will post to master file as a TC 976 (duplicate return), but they will not display on Select Check.

IRM 21.3.8.12.24.1 - Revised (1) and added a new paragraph (2) to give additional information to the assistors for handling calls from organizations unfamiliar with the Form 990-N submission system and renumbered the subsequent paragraphs; added a Caution to the renumbered (3) about the different types of information that can be accepted from authorized and unauthorized callers.

1. The submission of the Form 990-N is intended to be a simple enough process so that anyone with access to a personal computer can complete the task. Some callers may not realize that they are permitted to submit their form using a friend or family member's computer or one available at more public venues, such as libraries and community centers. They may also not know that the process shouldn't take more than 30 minutes to complete, including printing off a hard copy of the submission for their records.
2. While the IRS encourages organizations to submit their own forms whenever possible, there are certain circumstances that require the assistor to take the Form 990-N information so that the IRS can submit the form on the organization's behalf, including "back-end rejects," known systemic problems impacting the caller's organization, and organizations with no email account to receive the confirmation code from the eAuthentication process or that are at risk of auto-revocation because they require master file updates before the form can be successfully submitted. Assistors should note that this list is not all-inclusive and that, based on the particular needs of the caller, they may need to take the Form 990-N information for situations not listed here.

NOTE: If the caller asks if the IRS will submit the ePostcard on behalf of the organization and does not supply a reason for the request, you may probe to determine why the organization cannot/prefers not to submit its own Form 990-N and respond to the caller accordingly (for example, by explaining that a friend or a relative with a computer may assist if the caller has no computer). If the caller still wants the IRS to submit the form, take the ePostcard information, notate AMS, and politely ask the organization to make every effort to submit its own Form 990-N for subsequent years.

3. Ensure that the caller has the following information available before you begin completing the Form 990-N portion of the EO Submodule Data Sheet:

CAUTION: While Form 990-N information may be accepted from any caller, only authorized callers may provide the information necessary for the establishment of the EO submodule or for modifications to the submodule that cannot be verified through EDS research.

- Organization's EIN

REMINDER: Research IDRS to confirm the organization's eligibility to submit the Form 990-N before soliciting all the information needed for the form. If other actions are required to update the system before the form can be accepted, it may be more efficient to get other information from the caller first and then return to the information needed for the Form 990-N. For example, if the organization has no submodule, you must first determine the entity's eligibility to submit the form before capturing the data for the form.

- Organization's legal name
- Organization's tax year
- Organization's mailing address, including the "c/o line" (if applicable)
- Principal officer's name and address
- If applicable, any other names the organization does business as (DBA name)
- Web site address, if applicable
- Knowledge as to whether the organization's annual gross receipts are normally \$50,000 or less
- Knowledge of whether the organization is still in business

IRM 21.3.8.12.24.1.1 - Revised the contents of the subsection to match the customer experience more closely.

1. As a result of the IRS assuming the administration of the Form 990-N system, any Form 990-N submitted by the IRS on behalf of an exempt organization must be input by a tax examiner in EO Entity. If the IRS is submitting the form for the organization, complete the appropriate fields on the EO Submodule Data Sheet and notate AMS accordingly. Tell the caller that the Form 990-N should be available on Select Check within eight weeks.
2. The information contained in this subsection may be helpful in gathering the Form 990-N information or in assisting the caller who is completing the form and who has questions.
3. The e-Postcard filing system can be accessed on www.irs.gov/eo by putting "990N" in the search window, clicking "Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N (e-Postcard)," and then following the guidance under "How To File."
4. First time users are required to register through eAuthentication and to set up a profile as an Exempt Organization (if they will be submitting only for one organization) or as a Preparer (if they will be submitting for two or more organizations).
5. Users must also update their profile with one EIN (for the EO profile) or at least one EIN (for the Preparer profile) before they may submit a Form 990-N. If the system does not recognize the EIN as belonging to an entity entitled to submit a Form 990-N, e.g., an entity with no EO submodule, the user will receive an error message and will not be allowed to add the EIN to the profile.

NOTE: Preparers will always have to go back in and modify their profile to add EINs if they want to submit a form for an organization whose EIN they have not yet added to their profile.

6. Once the profile is set up and the EIN(s) added, the user chooses "CREATE NEW FILING" to begin the ePostcard submission. The user must select one EIN from the profile (EOs will have only one to select) and then click "CONTINUE" to complete the Form 990-N information for the selected EIN.
7. The organization's tax period, legal name, and EIN are pre-populated fields on the first page of the ePostcard. This is the information on Master File and the submitter cannot change these fields.
 - o If the caller indicates that the tax year information we are showing is incorrect or that the organization has changed its tax year ending month, the organization may opt to submit its Form 990-N based on the tax year period showing on our records and then send a written request to change its accounting period before its next Form 990-N is due. This is the recommended procedure if the organization has already not submitted an EO return for two consecutive tax periods and the due date of the third year's return is less than two months away. If it chooses not to submit the Form 990-N based on the tax year period reflected on our records, it will have to request a change in tax year period and then submit its Form 990-N once our records have been updated (approximately six weeks after the request has been mailed). See IRM 21.3.8.9.7, "Change in Accounting Period for Organizations Exempt Under IRC 501(a)," for additional details.
 - o If the organization is a subordinate included in a group ruling, the legal name may reflect that of the central organization; generally the subordinate's name shows as the sort name on IDRS. If the information is correct on IDRS, the caller may continue submitting the Form 990-N. If the caller asks about adding the subordinate's name to the Form 990-N to facilitate searching for the organization's submission, the caller may add the subordinate's name on the DBA name line of the Form 990-N. This information will not update IDRS, however. If the primary and sort name lines are incorrect on IDRS, the organization will have to initiate a name change/correction before its Form 990-N can be submitted. See IRM 21.3.8.9.2, "Name Changes - Exempt Organizations (EO) and Federal, State, and Local Governments (FSLG)," for additional information.
8. All submitters must answer two questions on the first page:
 - a. **"Has your organization terminated or gone out of business?"** If the submitter answers "yes" to this question, she/he will get a message that asks the submitter to confirm that they no longer exist because a "yes" answer means that the IRS will no longer consider the organization to be tax-exempt. Be sure that the caller understands this. If the organization inadvertently answered "yes," it should change the answer to "no." If the organization has terminated, it should still complete the e-Postcard. See IRM 21.3.8.12.5.1, "Dissolution," for additional information.

- b. **"Are your gross receipts normally \$50,000 or less?"** If the submitter answers "no" to this question, the organization cannot file an e-Postcard. It must file a Form 990 or Form 990-EZ. If the caller answered the question incorrectly, he/she can go back and change the answer to "yes," but if "no" is the correct answer, the organization will not be allowed to complete the e-Postcard. The help text (question mark inside a circle) next to this field explains how to determine if the organization's gross receipts are normally \$50,000 or less.
9. If the EIN belongs to an organization described in IRC 509(a)(3), the submitter will also have to answer the additional questions for supporting organization. See IRM 21.3.8.12.24.1.2, "Additional Questions on the Form 990-N for 509(a)(3) Supporting Organizations," for more details.
10. Once page one is complete, the submitter should click "CONTINUE" to access the remaining pages of the form.
11. The information requested on the remaining pages is: **organization's DBA name(s); mailing address; Web site address; and type, name and address of a principal officer.**

NOTE: Submitters should use ALL CAPITAL LETTERS when inputting Form 990-N data because the information displays better on the public disclosure page when it is in upper case.

- a. If an organization has more than one DBA name, the submitter can click "ADD MORE DBA NAMES." This button appears after the first DBA name has been entered and allows the submitter to add additional DBA names, to delete a DBA name, or to modify a DBA name.
 - b. The principal officer type will be either "person" or "business." For most organizations, it will be a person. If it is a business, such as a bank, the submitter should indicate "business" and enter the business name.
12. When all pages of the e-Postcard have been completed, the submitter should click "SUBMIT FILING."

NOTE: The submitter may also select "SAVE FILING" if the form cannot be completed at that time, allowing the submitter to return to the form later to complete it.

13. An initially successful submission results in a "Confirmation" page, which the submitter can print for the organization's records. To learn whether the e-Postcard was ultimately accepted or rejected by the IRS, however, the submitter will have to select "MANAGE FORM 990-N SUBMISSIONS" and click on a link that says "Get Updated Status." The form's status will remain "Pending" until the user clicks on that link. If the submission was successful, the status should update to "Accepted." If the Form 990-N was rejected, there will be a hyperlink to additional information about the reject and the organization will be instructed to call the TEGE toll-free line for assistance. See IRM 21.3.8.12.24.3, "Form 990-N Error Messages, Warning Messages,

and Filing System Problems," for additional information on forms rejected subsequent to input.

NOTE: The submitter may have to wait approximately seven minutes and then refresh the "Manage Form 990-N (e-Postcard)" page before the "Get Updated Status" link appears.

IRM 21.3.8.12.24.2 - Revised the entire subsection to improve the flow and to remove redundancies.

1. The following procedures are intended to cover the majority of calls which CAS could receive from small exempt organizations that receive a reject message when they attempt to submit their Form 990-N and are instructed to contact CAS. If you cannot resolve your caller's problem with the information contained in this subsection or elsewhere in this IRM or by referring to the information and FAQs on the IRS Web site, prepare a Form 4442 to your lead with the caller's name and contact information, the organization's EIN, and a brief description of the problem/question. Apologize to the caller and tell him we will contact him within 15 business days.
2. Organizations that are not required to apply for formal exemption, newly-formed organizations, and organizations with a pending application need an EO submodule to submit a Form 990-N. If you determine that the Form 990-N rejected because the organization does not have an EO submodule, is not a "no-roll", and is not exempt from submitting a Form 990-N, follow the procedures outlined in this and in subsequent subsections to take information from the caller that will allow the establishment of a submodule.

NOTE: See IRM 21.3.8.12.24, "Annual Electronic Notice Filing Requirement, Form 990-N," for a list of organizations ineligible to submit a Form 990-N. See IRM 21.3.8.12.5.7, "Request to Change Filing Requirement," if the organization has a Form 1120 filing requirement (unless the organization has FTE'd or is in status 41). If the organization is in status 41, probe to determine the purpose, activities, and amount and nature of the organization's gross receipts. If the organization is appropriately in status 41, inform the caller that the organization must file taxable returns until it applies for and receives formal exemption. If the status should be changed to status 31 (because the organization qualifies as a public charity with annual gross receipts averaging \$5000 or less), to status 36 (because the organization qualifies for exemption under a subsection other than (c)(3), (c)(9), or (c)(17)), or to status 40 because the organization has an organizing document that is dated within 27 months of the current date or within 27 months of the control date of a pending Form 1023/Form 1023-EZ or Form 1024 (501(c)(9) and 501(c)(17)), update the submodule per IRM 21.3.8.9.12, "Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns." Inform the caller that the organization should be able to submit its Form 990-N in four weeks but that they may still be subject

to auto-revocation if they have not filed at least one EO return or submitted a Form 990-N in the last three tax periods.

3. Capture that information on the EO Submodule Data Sheet found on the TEGE Call Sites Research Portal (in the EO – e-Postcards section of the Job Aids). The sheet must be sent in an encrypted email to EO Entity, which will establish the submodule within 30 days of receipt of the form. You must also put a history item on AMS (when available, otherwise on ENMOD) with the notation "SUBMODDATA."

CAUTION: While Form 990-N information may be accepted from any caller, only authorized callers may provide the information necessary for the establishment of the EO submodule or for modifications to the submodule that cannot be verified through EDS research.

NOTE: If it is not possible to send the EO Submodule Data Sheet to EO Entity in an encrypted email, print off the sheet and EEFAX it to EO Entity at 855-214-7520. If the sheet is being submitted a second time (per caller's statement or a notation on AMS), mark the top of the sheet with "Second request - Expedite." Also make an appropriate notation on AMS to protect the organization's exemption if the organization is at risk of auto-revocation.

4. Do not take submodule information for component units of the Salvation Army or the American Red Cross. The Salvation Army is classified as a church and is not required to submit a Form 990-N. Local chapters of the American Red Cross are not separate legal entities and have no EO filing requirements (although they may have EINs for banking and employment tax purposes). Their finances and activities are included on the return filed by their national headquarters. See IRM 21.3.8.12.14.5, "Adding Subordinates to a Group Exemption and Modifying Subordinate Information," for additional information.
5. If the caller indicates that the organization has terminated or ceased business (and the organization does not already have a submodule), inform the caller that the organization is not required to submit the Form 990-N.

NOTE: If the terminated organization does not have formal exemption but does have an EO submodule, it should submit the Form 990-N and indicate it has terminated. Organizations with formal exemption, including entities that are "no rolls," should follow the normal dissolution procedures. See IRM 21.3.8.12.5.1, "Dissolution."

6. CAS assistors should capture the information required on the Data Sheet in the order described in these procedures. The top portion of the Data Sheet (up to the 509(a)(3) questions) pertains to the submodule itself; the bottom portion (the 509(a)(3) questions up to the assistor information) contains additional information pertinent to the Form 990-N.
7. Check the appropriate box at the top of the form based on the caller's situation.

8. If the organization is going to submit its own Form 990-N, inform the caller that they should be able to submit the Form 990-N in six weeks. If the IRS is submitting the Form 990-N on the organization's behalf, complete the rest of the Data Sheet, notate AMS, and tell the caller the organization's Form 990-N should display on Select Check in eight weeks.
9. For information on the remaining Form 990-N questions on the Data Sheet, refer to the instructions provided to assist the small EOs with no access to a computer. See IRM 21.3.8.12.24.1, "Assisting Small Exempt Organizations in Submitting Their Form 990-N," and subsequent subsections.
10. All Data Sheets submitted to EO Entity must include your name and the name, telephone number, and email address of your lead (fields for this information are at the end of the sheet). If EO Entity is unable to establish the submodule and/or to submit the Form 990-N, they will return the Data Sheet to your lead for contact with the organization to solicit the missing information or to make a correction to the information collected. **For this reason, it is extremely important that you provide the caller's name, title/position, and telephone number on the data sheet.**

NOTE: Provide any additional information or instructions to EO Entity in the email accompanying the Data Sheet. Be clear and supply enough details if you are requesting any special actions.

11. If the caller is unable to answer a question necessary to complete the submodule or the Form 990-N information, inform the caller that the information is needed to update our records/submit the 990-N. Tell the caller he will need to call back with the information and will need to start the process from the beginning. Briefly describe the other information that will be needed so that the organization will not need to make multiple contacts.
- 12.
13. If the caller indicates that he attempted to submit his Form 990-N after the prescribed waiting period and encountered the same problem as when he first tried to submit the form and you cannot determine why the problem should persist or what the correction to the problem is, prepare a Form 4442 referral to your lead as described in (1) above. If the organization is at risk of auto-revocation, also take the Form 990-N information and include it in the referral.
14. See IRM 21.3.8.12.6, "Request for Reinstatement of Tax-Exempt Recognition," if the authorized caller indicates that the organization marked the termination box on the Form 990-N in error.

IRM 21.3.8.12.24.3(5) - Added a procedure for organizations at risk of auto-revocation to the Note.

5. "The employer identification number (EIN) 'xx-xxxxxxx' was not found. You may have entered the EIN incorrectly. Please re-enter the EIN and try again.

If the EIN is correct, call IRS Customer Account Services at 877-829-5500 for assistance."

- If the EIN is correct, but the system is not accepting it to submit the e-Postcard, it is generally because an EO submodule does not exist. See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an Exempt Organization (EO) Submodule for Organizations without a Submodule and for Organizations with a Pending Application."

NOTE: The submitter may receive this message if the submodule being added is still pending on Master File. Check ENMOD for a pending (PN) TC 016. If found, tell the caller to wait an additional four weeks and then attempt to submit the Form 990-N again. If you do not find a pending TC 016 or if the TC 016 unposted (and there is no EO submodule on INOLES), take the Data Sheet information and tell the caller to wait six weeks and then resubmit the Form 990-N. If the organization is at risk of auto-revocation, however, also take the Form 990-N information and notate AMS.

- If the EIN is incorrect, research for the correct one. See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an Exempt Organization (EO) Submodule for Organizations without a Submodule and for Organizations with a Pending Application," for additional information.