January 3, 2022

Control No: TEGE-07-0122-0003
Affected IRMs: 7.20.1, 7.20.2, 7.20.3, 7.20.4, 7.20.6, 7.21.2, 7.21.5
Expiration Date: January 3, 2024

MEMORANDUM FOR EXEMPT ORGANIZATIONS
RULINGS AND AGREEMENTS EMPLOYEES

FROM: Stephen A. Martin /s/ Stephen A. Martin
Director, Exempt Organizations (EO) Rulings and Agreements

SUBJECT: Interim Guidance on Processing Electronically Submitted Form 1024

Effective January 3, 2022, applicants for tax-exempt status under Internal Revenue Code (IRC) Sections: 501(c)(2); 501(c)(5); 501(c)(6); 501(c)(7); 501(c)(8); 501(c)(9); 501(c)(10); 501(c)(11); 501(c)(12); 501(c)(13); 501(c)(14); 501(c)(15); 501(c)(16); 501(c)(17); 501(c)(18); 501(c)(19); 501(c)(21); 501(c)(22); 501(c)(23); 501(c)(25); 501(c)(26); 501(c)(27); 501(c)(28); 501(c)(29); and 501(d) must submit Form 1024, Application for Recognition of Exemption Under Section 501(a) or Section 521 of the Internal Revenue Code, and the applicable user fee electronically on Pay.gov. Applicants for tax-exempt status under IRC Section 521 may (but are not required to) submit the Form 1024 and the applicable user fee electronically on Pay.gov.

Background/Source(s) of Authority


Rev. Proc. 2022-8 explains that the electronic submission process for Form 1024 replaces the paper submission process for organizations seeking determination under Section 501(a) (other than those described in IRC Sections 501(c)(3) or 501(c)(4)). Furthermore, it expands the subsections that use Form 1024 to include IRC Sections: 501(c)(11), 501(c)(14), 501(c)(16), 501(c)(18), 501(c)(21), 501(c)(22), 501(c)(23), 501(c)(26), 501(c)(27), 501(c)(28), 501(c)(29), and 501(d) (those that have previously submitted letter requests, except for group rulings). These applicants are now required to submit the revised Form 1024 (Rev. 1-2022) electronically along with the applicable user fee on Pay.gov. Organizations seeking determination under IRC Section 521 may submit Form 1024 along with the applicable user fee electronically on Pay.gov.

Section 4 of Rev. Proc. 2022-8 allows applicants that previously were required to submit Form 1024 on paper and are now required to electronically submit Form 1024 to use paper Form 1024 (Rev. 1-2018) during a 90-day transition period. It also allows applicants that previously were required to submit a letter request and are now required to electronically submit Form
To submit a letter application during the transition period. A paper Form 1024 or letter application submitted during this transition period must be accompanied by the applicable user fee.

IRMs 7.20.1, 7.20.2, 7.20.3, 7.20.4, and 7.20.6 (modified by or incorporating Interim Guidance Memorandum (IGM) TEGE-07-0121-0001, Interim Guidance on Processing Electronically Submitted Form 1024-A and IGM TEGE-07-0120-0002, Interim Guidance on Processing Electronically Submitted Form 1023) explain that organizations generally submit hard copy tax exempt applications and other miscellaneous determinations along with the applicable user fees (Form 1024, Form 1028, Form 8940, other letter applications, and applicable user fee Form 8718) to Campus Support.

IRM 7.21.2 (modified by IGMs TEGE-07-0121-0001 and TEGE-07-120-0002) states that Campus Support is responsible for processing user fees submitted with EO determination requests in the Letter Information Network and User Fee System (LINUS).

IRM 7.21.5 (modified by IGMs TEGE-07-0121-0001 and TEGE-07-120-0002) states that Campus Support:

- receives EO determination letter requests
- establishes them electronically in the Modified EO/EP Determination System (MEDS)
- scans the hard copy application/request into MEDS capturing required data fields including Form 2848 information
- sends the hard copies of the scanned applications/requests to IRS facility Ogden, UT

Procedural Changes
Effective with Rev. Proc. 2022-8:

1. Applications for recognition of exemption on Form 1024 must be submitted electronically at Pay.gov along with the applicable user fee. Beginning April 4, 2022, paper submissions of Form 1024 and letter applications for the IRC subsections referenced above will not be accepted for processing.
   
   Note: Applications for recognition under Section 521 may be submitted on Form 1028 or Form 1024. If submitted on Form 1024, the application must be submitted electronically as described above.

2. Specialists enter authorized representative information from a valid Form 2848 into MEDS.

Effect on Other Documents
This guidance will be incorporated into IRMs 7.20.1, 7.20.2, 7.20.3, 7.20.4, 7.20.6, 7.21.2 and 7.21.5 by January 3, 2024.

Effective Date
January 3, 2022

Contact
EO Determinations Area 1 Manager

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