



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

October 1, 2019

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Affected IRM: 7.20.2

Expiration Date: October 1, 2021

MEMORANDUM FOR EXEMPT ORGANIZATIONS
RULINGS AND AGREEMENTS EMPLOYEES

FROM: Stephen A. Martin /s/ *Stephen A. Martin*
Director, Exempt Organizations Rulings and Agreements

SUBJECT: Interim Guidance on Form 1023 Case Closing Guide Sheet

In the interest of sound tax administration and customer needs, EO Rulings and Agreements will implement a Form 1023 Case Closing Guide Sheet (the "Guide Sheet") to assist in the processing of Forms 1023.

Background/Source(s) of Authority

Rev. Proc. 2019-5, Section 4.02(1) states that an organization seeking recognition of exemption under Section 501(c)(3) of the Internal Revenue Code (IRC) should submit a completed Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

Rev. Proc. 2019-5, Section 6.07(1) states that a favorable determination letter will be issued to an organization if its completed application, including attestations, supporting documents, and responses to any additional information requested, establishes that it meets the particular requirements of the section under which exemption from Federal income tax is claimed.

Procedural Change

1. Employees, including tax examiners, will review Form 1023 applications using the Form 1023 Case Closing Guide Sheet. Cases will be assigned in control date order.

2. Time frames for cases assigned to revenue agents for Guide Sheet review will follow IRM 7.20.2. Time frames for cases assigned to tax examiners for Guide Sheet review are as follows:

- a. The tax examiner reviews the case using the Guide Sheet and either prepares it for closing as an approval or for return to revenue agent processing and submits it to the group manager for review within two work days of assignment.
- b. A tax examiner group manager either approves the case or returns the case for revenue agent processing within two work days of submission.
- c. After manager approval in TEDS, designated employees complete required closing actions within five work days.

3. Employees will use the Guide Sheet to determine whether a case can be approved. If the case can be approved using the Guide Sheet, employees will generate approval letters and closing documents using the information submitted in the application. If it cannot be approved using the Guide Sheet, the case will be returned to unassigned inventory to be assigned to a Determinations specialist in control date order.

4. EO Determinations specialists will be available to assist tax examiners with procedural and technical questions related to the Guide Sheet.

Effect on Other Documents

This guidance will be incorporated into IRM 7.20.2 by October 1, 2021.

Effective Date

October 1, 2019

Contact

EO Determinations Area 2 Manager

Distribution

www.IRS.gov