

IRM PROCEDURAL UPDATE

DATE: 10/01/2019

NUMBER: wi-21-1019-1060

SUBJECT: EO Status 36 and EO Status 40 Procedures

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

CHANGE(s):

IRM 21.3.8.5.1.3.1(2) - Updated the status 41 information as it relates to IRC 501(c)(4) and IRC 501(c)(29).

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

REMINDER: Don't rely on IDRS alone to determine whether an organization is recognized as tax exempt. Research EDS/TEDS to verify whether a determination has closed favorably and the data did not roll to the Master File. See IRM 21.3.8.3.8, *Researching and Perfecting Entity/Exempt Organization (EO) Submodule Information on the Master File*, for "NO ROLL" procedures if a "no roll" situation has occurred.

If	Then
<p>CC INOLES/ENMOD or EDS/TEDS reflects favorable tax-exempt recognition based on an individual ruling (status 01 and status 25) or on inclusion in a group ruling (status 01).</p> <p>Exception: See IRM 21.3.8.12.23, <i>Ruling Dates with all Zeroes on Organizations with Individual Exemption</i>, 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</p>	<p>1. Provide verbal confirmation that the organization is recognized as tax exempt under IRC 501(c)(X) (substituting the appropriate subsection for "X").</p> <p>Exception: If the organization's ruling did not "roll" from EDS/TEDS to IDRS and, based on the filing requirements assigned on EDS/TEDS, the organization was required to but did not file its annual information return/notice for three consecutive years for periods beginning after December 31, 2006, explain to the authorized caller about auto-revocation. If the caller is unauthorized, explain that additional research is needed to respond, prepare a Form 4442 referral to the EO Correspondence Unit using the</p>

<p>period or has been presumed to be a private foundation.</p> <p>Caution: Research CC 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 foundation; it may be a presumptive private foundation, in which case you will need to give special instructions to an authorized caller (see IRM 21.3.8.12.5.4, <i>Change in Foundation Classification</i>). 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>fax number in Exhibit 21.3.8-15, <i>Contact Information</i>, and tell the caller she/he can expect to be contacted within 45 days.</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 PRG; 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 170. In other words, contributions to a private foundation in status 25 are treated like contributions to a public charity unless it is more 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.(4).</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 (whose name you may provide if asked by the caller); you may reference the section entitled, "How do I verify that an organization is included as a subordinate in a group</p>
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	<p>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 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 must 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, <i>Compliance with Exempt Organization (EO) Filing Requirements</i>, for additional information.</p>
<p>CC INOLES/ENMOD shows the entity in status 02 and there is no case closed on EDS/TEDS after the ruling date shown on IDRS.</p>	<ul style="list-style-type: none"> • Apologize to the caller and explain that our records are incomplete and that you are going to prepare a referral to the EO Correspondence Unit for research and correction. • Tell the caller to expect to be contacted within 45 days. • Prepare a Form 4442 referral to the EO Correspondence

	<p>Unit. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details. Be sure to indicate on the referral the caller's relationship to the organization so that the Correspondence Unit can send the appropriate letter.</p>
<p>CC INOLES/ENMOD shows the entity in status 12 and with subsection 90, 91, or 92 AND there is no exemption ruling on EDS/TEDS that didn't roll to IDRS.</p>	<p>Inform the caller that the entity is filing an information return as a non-exempt charitable trust (NECT). If the caller is authorized and requests a letter affirming the status (subsection 91 only), see IRM 21.3.8.7.3(1)(b).</p> <p>Technical questions on NECTs are out of scope.</p> <p>Note: Entities in status 12 are included in the online EOMF extract.</p>
<p>The current status on IDRS is status 20 or status 26.</p> <p>Caution: Research CC ENMOD and the TRAC database for a pending reinstatement (i.e., a pending TC 016 on CC ENMOD showing EO filing requirements or an indication on TRAC that Letter 4168C was issued after the status code date) and EDS for a case with a control date or a closing date that is later than the status code date on IDRS before telling the caller that the organization is not tax exempt. If CC ENMOD shows a pending TC 016 with EO filing requirements, treat the organization as being in the status it held prior to termination and respond to the caller accordingly. If there is a pending TC 016 without EO filing requirements, consult with</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <ul style="list-style-type: none"> • If the caller is authorized, explain that the current status of the organization is "terminated" (20) or "termination merger" (26). See IRM 21.3.8.12.6, <i>Request for Reinstatement of Tax-Exempt Recognition</i>, if the caller asks how the exemption can be reinstated. <p>Note: Until a new status code is designated for that purpose, status 20 is also used for government entities that have voluntarily given up their exemption without terminating the organization. See IRM 21.3.8.12.5.1.1, <i>Government Entities That Voluntarily Relinquish Their IRC 501(c)(3) Exemption</i>, for additional</p>

<p>your Lead. If there is a case on EDS that is dated after the status code date on IDRS and EDS status and/or closing information does not provide sufficient information to respond to the caller and to update IDRS, if applicable, explain to the caller that more research is needed to respond to his/her question(s) and prepare a Form 4442 referral to the EO Correspondence Unit using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>.</p>	<p>information.</p> <ul style="list-style-type: none"> If the caller is unauthorized, advise caller This organization is no longer tax exempt as of (month/year). Use status code date for month/year. See IRM 21.3.8.4.2.2(5).
<p>The current status on IDRS is status 21.</p> <p>Caution: Before discussing the organization's status with the caller, research CC ENMOD and the TRAC database for pending status updates (i.e., a pending TC 016 on CC ENMOD showing EO or taxable filing requirements or an indication on TRAC that Letter 4168C or a status 97 letter was issued after the status code date).</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <p>If the caller is authorized and</p> <ul style="list-style-type: none"> There are pending transactions or TRAC notations indicating a change in status, treat the organization as though it were in the status it held prior to status 21 or discuss auto-revocation, as appropriate. There are no pending transactions or TRAC notations indicating a change in status, see IRM 21.3.8.12.6, <i>Request for Reinstatement of Tax-Exempt Recognition</i>. <p>If the caller is unauthorized and</p> <ul style="list-style-type: none"> There are signs of a pending auto-revocation (for example, a pending transaction assigning a taxable return filing requirement or a TRAC notation indicating a status 97 or a no record of exemption letter was sent after the status

	<p>21 date), explain to the caller that more research is needed to respond to his/her question(s) and prepare a Form 4442 referral to the EO Correspondence Unit using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>.</p> <ul style="list-style-type: none"> • There are no signs of a pending auto-revocation, treat the organization as though it were in the status it held prior to status 21.
<p>The CURRENT EO status is status 22.</p>	<p>See IRM 21.3.8.9.8, <i>Status Codes - Exempt Organizations (EO)</i>. Refer to (12).</p>
<p>The current status on IDRS is status 27 and EDS/TEDS does not reflect a favorable ruling dated after the EO status code date on IDRS.</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <ol style="list-style-type: none"> a. If the caller is authorized, explain that the organization is no longer covered by a group exemption because the central organization's exemption was auto-revoked for failure to file the required annual information return for three consecutive years. See IRM 21.3.8.9.12, <i>Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns</i>, for information on updating IDRS. b. If the caller is unauthorized, tell him/her that the organization is not exempt by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code, but that our records show that the organization was included in a group ruling until the month and

	<p>year of the status code date (if the status code date on CC INOLES is not all zeroes).</p> <p>Note: See 3 and 4 below under organizations that are not exempt per IDRS or EDS/TEDS for additional information about organizations not required to apply for formal exemption, e.g., churches.</p>
<p>The current status on IDRS is status 28 or status 29 and EDS/TEDS does not reflect a favorable ruling dated after the EO status code date on IDRS.</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <p>a. If the caller is authorized, explain that the organization is no longer covered by a group exemption. Update IDRS using the guidance in IRM 21.3.8.9.12, <i>Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns</i>, but DO NOT take the Form 990-N information for organizations in status 28 unless the organization has less than eight weeks to submit its Form 990-N before it is at risk of auto-revocation (follow the procedures in IRM 21.3.8.12.24.4, <i>Special Procedures for Organizations That Require an Integrated Data Retrieval System (IDRS) Update to Submit the Form 990-N Timely</i>) or there are extenuating circumstances (for example, when the organization's Form 990-N rejected and the organization has no additional registered users to input the form once master file is updated).</p> <p>Note: If the organization is in</p>

	<p>status 28 and the central organization can be identified and is in EO status 01, provide the information required to be added back to the group ruling <i>if the caller says that they are still included</i> (see IRM 21.3.8.12.14.5, <i>Adding Subordinates to a Group Exemption and Modifying Subordinate Information</i>).</p> <p>See IRM 21.3.8.9.8, <i>Status Codes - Exempt Organizations (EO)</i>, if the caller is authorized and the organization is in status 29.</p> <p>b. If the caller is unauthorized, tell him/her that the organization is not exempt by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code, but that our records show that the organization held a group ruling (status 29) or was included in a group ruling (status 28) until the month and year of the status code date (if the status code date on CC INOLES is not all zeroes).</p> <p>Note: See 3 and 4 below under organizations that are not exempt per IDRS or EDS/TEDS for additional information about organizations not required to apply for formal exemption, e.g., churches.</p>
<p>Neither the Master File nor EDS/TEDS reflects a favorable tax-exempt ruling (including, but not limited to, organizations in status 31, status 36, or</p>	<p>1. Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p>

<p>status 40).</p>	<p>2. Advise the caller that we have no record of tax-exempt recognition by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code.</p> <p>Note: If the caller states he/she has a copy of a determination letter, instruct the caller to send a copy of that letter, along with a cover letter, to the EO Correspondence Unit. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details.</p> <p>3. Explain that certain organizations (for example, churches, government entities, Indian tribal governments) may not be required to file for formal recognition and inform the caller that we can confirm tax exemption only when our records reflect that a formal determination ruling has been made. See Exception under #4 below.</p> <p>4. If the caller asks for additional details, advise him/her that an organization which meets an exception from the requirement to file for formal recognition may be treated as being tax exempt as long as it is organized and operated appropriately.</p> <p>Exception: If the entity has been organized and operated for more than three fiscal periods prior to the call and has not filed an information return or submitted an e-Postcard for three consecutive years for periods that began after December 31, 2006, then the organization may not hold itself out to be automatically exempt unless it meets one of the exceptions to the filing requirements imposed by the Pension Protection Act of 2006 (e.g., churches). The organization is required to apply for exemption or to</p>
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	<p>file taxable returns.</p> <p>Reminder: Use of the TEGE PRG is mandatory when offering guidance on applying for tax exemption except when the organization has been auto-revoked, whether or not it is in status 97.</p> <p>5. If the caller expresses his/her belief that the organization in question might be covered by a group ruling, refer him/her to the central organization for specific information or to Publication 4573, <i>Group Exemptions</i>, for general information about group rulings.</p> <p>Reminder: Do not attempt to determine whether a particular organization is included in a group ruling if it is not showing as such on IDRS nor attempt to determine potential central organizations with which an organization could be affiliated.</p> <p>Note: If the caller represents a central organization requesting information on filing for a group exemption, use of the TEGE PRG is mandatory.</p> <p>6. If the caller is authorized, complete an EO Submodule Data Sheet (if there is no EO submodule and the organization is organized and operated as an exempt organization) or, if applicable, update the submodule per IRM 21.3.8.9.12, <i>Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns</i>, and offer appropriate annual return filing guidance. Refer to the TEGE PRG for specific return filing requirement guidance.</p> <p>Reminder: If the caller is authorized</p>
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	<p>and claims the organization is described in IRC 501(c)(4) and the organization has no submodule, see IRM 21.3.8.12.29, <i>Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)</i>.</p> <p>Note: You may respond to questions from an unauthorized caller with general return filing requirement information, i.e., information not protected by IRC 6103.</p>
<p>The current status on IDRS is status 32.</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <p>a. Research CC BMFOL/TXMOD to determine if a Form 990/Form 990-EZ has posted (TC 150) or was received for processing (TC 594/599) after the Status 32 date.</p> <ul style="list-style-type: none"> • If a Form 990/Form 990-EZ has posted or was received for processing, update the status on IDRS to 01 with 990-01 FR and continue addressing the caller's issue. • If no Form 990/Form 990-EZ has posted or was received for processing, continue to Step b. <p>b. Check EDS/TEDS for an "F," "P," or "A" case closed after the Status 32 date.</p> <ul style="list-style-type: none"> • If a closed case is found, update the status and filing requirements on IDRS based on the EDS/TEDS information and continue addressing the caller's issue. • Even if no "F," "P," or "A" case is located, treat the account as though the organization is

	<p>exempt and respond to the caller's issue accordingly.</p> <p>Note: See IRM 21.3.8.12.6, <i>Request for Reinstatement of Tax-Exempt Recognition</i>, if the caller is authorized.</p>
<p>CC INOLES/ENMOD shows the organization as an IRC 527 political organization (status 34, subsection 82).</p>	<p>Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <ul style="list-style-type: none"> • If the caller is authorized, explain that our records indicate that the organization identified itself as a political organization described in IRC 527. Note: If the authorized caller states that the organization doesn't qualify as a political organization described in IRC 527 but rather as an exempt organization described in IRC 501, see IRM 21.3.8.9.12, <i>Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns</i>, and IRM 21.3.8.10.2.12, <i>CP 249 Notices for IRC 527 Organizations</i>, for information on making the necessary updates to master file. • If the caller is unauthorized, advise him/her that we have no record of tax-exempt recognition by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code. If the caller specifically asks if the organization is a

	<p>political organization, refer the caller to the IRS website for publicly-disclosed filings. Instruct the caller to type "Search Political Organization Disclosures" in the search box.</p>
<p>CC INOLES/ENMOD shows the entity in status 41 and there is no favorable case closed on EDS/TEDS after the status code date shown on IDRS.</p>	<p>1. Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>.</p> <p>2. Advise the caller that we have no record of tax-exempt recognition by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code.</p> <p>3. If the caller is authorized, explain that the organization is required to apply for formal recognition of its exemption or, if claiming exemption under IRC 501(c)(4), must notify the IRS of that per IRC 506 and that it is liable for a taxable return until it has had its exemption approved.</p> <p>Note: If the status must 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 IRC 501(c)(3), (c)(4), (c)(9), (c)(17), or (c)(29)), 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 (open) Form 1023 (Form 1023-EZ for at risk organizations only) (IRC 501(c)(3)) or Form 1024 ((c)(9) and (c)(17)) or because the organization claims exemption under IRC 501(c)(4) or (c)(29), update the</p>

	<p>submodule per IRM 21.3.8.9.12, <i>Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns</i>. Inform the caller that the organization may still be subject to auto-revocation if they have not filed at least one taxable or EO return or submitted a Form 990-N in the last three tax periods.</p> <p>Reminder: If the caller claims the organization is described in IRC 501(c)(4), see IRM 21.3.8.12.29, <i>Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)</i>.</p>
<p>CC INOLES/ENMOD shows the entity in status 70 and there is no favorable case closed on EDS/TEDS after the ruling date shown on IDRS.</p>	<ol style="list-style-type: none"> 1. Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>. 2. Advise the caller that we have no record of tax-exempt recognition by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code. 3. If the caller is authorized, explain that the organization was denied exemption and that it is liable for a taxable return.
<p>CC INOLES/ENMOD shows the entity in status 71 and there is no favorable case closed on EDS/TEDS after the ruling date shown on IDRS.</p> <p>Caution: Do not rely solely on the closing code when researching EDS. Many FTE cases were erroneously closed in status 01 in the late 1990s, but the cases correctly showed an FTE letter as the last letter created and a Form 1120 filing</p>	<ol style="list-style-type: none"> 1. Verify disclosure. See IRM 21.3.8.4.1.5, <i>Issue and Entity Identification and Taxpayer Authentication Procedures</i>. 2. Advise the caller that we have no record of tax-exempt recognition by virtue of an approved application, i.e., that we have no record of the organization having tax-exempt status under section 501(a) of the Internal Revenue Code. 3. If the caller is authorized, explain

<p>requirement on the closing information page. Be sure to perform thorough research before determining that IDRS contains erroneous information.</p>	<p>that the organization failed to establish its exemption and that it is liable for a taxable return until it completes the application process and receives a letter of determination ruling it to be exempt. See IRM 21.3.8.12.17, <i>Exempt Organization (EO) Case Development and Failed to Establish (FTE) Status</i>, for additional information.</p>
<p>CC INOLES/ENMOD shows the entity in status 97 and there is no favorable case closed on EDS/TEDS after the status code date shown on IDRS.</p>	<p>Research CC ENMOD and TRAC for an indication that the organization's exemption is being restored (i.e., a pending TC 016 on CC ENMOD giving the organization an EO filing requirement and/or a closed TRAC case dated after the status 97 date showing that an affirmation or erroneous auto-revocation (ER) letter was sent to the organization).</p> <ul style="list-style-type: none"> • If an indication of reinstatement is found, treat the organization as though it is exempt and respond to the caller accordingly. • If no indication of reinstatement is found, see IRM 21.3.8.12.6.1, <i>Responding to Calls From or About Organizations in Status 97</i>. Exception: If the organization went (back) into status 97 after having been in status 01 for only a month or two and there is no indication that the current status 97 is legitimate, explain to the caller that additional research is necessary and prepare a Form 4442 referral to the EO Correspondence Unit (see Exhibit 21.3.8-15, <i>Contact Information</i>). Be sure to indicate on the referral the caller's relationship to the organization so that the Correspondence Unit can send the appropriate letter. Tell the caller to expect to be contacted within 45 days.

<p>CC INOLES/ENMOD shows the entity in status 97 but there is a favorable case closed on EDS/TEDS after the status code date shown on IDRS.</p>	<p>Affirm the exemption of the organization using the verbiage in the first row of this table.</p> <p>Note: If the closing date on EDS/TEDS is more than two weeks prior to the date of the call and the organization is still showing status 97 on IDRS, follow the procedure in paragraph (5) of IRM 21.3.8.3.8, <i>Researching and Perfecting Entity/Exempt Organization (EO) Submodule Information on the Master File</i>.</p>
<p>The EO status is status 98.</p>	<ul style="list-style-type: none"> • Apologize to the caller and explain that additional research must be performed to verify whether the organization is recognized as tax exempt. • Prepare a referral to your lead with the caller's contact information and relationship to the organization. • Tell the caller to expect to be contacted within 45 days. • DO NOT PROVIDE ANY ACCOUNT/STATUS INFORMATION TO THE CALLER.
<p>The EO status is status 99.</p>	<p>Research IDRS for the status held by the organization before it was updated to status 99 and respond to the caller based on the prior status.</p> <p>Note: If the prior status is 41 and the caller is contacting the Service because of a rejected Form 990-N or other filing requirement-related issue, see paragraph (36) of IRM 21.3.8.9.8, <i>Status Codes - Exempt Organizations (EO)</i>.</p>

IRM 21.3.8.9.8 - Updated the status 36, status 40, and status 41 information in paragraph (27) through paragraph (29) as it relates to IRC 501(c)(4) and IRC 501(c)(29).

27. Status Code 36 — Applies to:

- Organizations other than 501(c)(3), (4), (9), (17), or (29) that have submitted a Form 990-N or that filed Form 990/Form 990-EZ and have not received a formal exemption ruling, and the Master File does not indicate the organization is covered under a group exemption ruling
- IRC 501(c)(4) entities that have registered under IRC 506 (even if no Form 990 series return was filed)

28. Status Code 40 — Is input by OSPC to create an EO submodule for a 501(c)(3), (4), (9), (17), or (29) organization that has not been ruled to be exempt or, if claiming exemption under IRC 501(c)(4), that has not notified the IRS of that per IRC 506 at the time a Form 990-N is submitted or that a Form 990/Form 990-EZ is filed.

- A CP 120, *Confirmation of Tax-Exempt Status Required*, is automatically generated to organizations that are put into status 40.

NOTE: This notice currently asks the organization for a copy of its determination letter and advises the organization that it must apply for formal recognition of its exemption if it does not already have a determination letter. The notice is being revised to include organizations claiming exemption under IRC 501(c)(4) that have failed to notify the IRS of that per IRC 506.

- Use the following chart when responding to calls on CP 120:

If	Then
An organization contacts the TEGE toll free sites to request an extension of time to reply to the CP 120	Prepare a Form 4442 referral to EO Entity using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i> . Include the caller's contact information and the notation "CP 120 response" in Part III, section B of the referral.
The caller has other questions about the letter which you cannot answer based on your knowledge of EO tax law and the requirement of certain organizations to apply for formal recognition of their tax-exempt status	Prepare a Form 4442 referral to EO Entity using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i> . Include the information stated above, as well as a summary of the caller's question/issue.

NOTE: Although status 40 submodules do not display a Form 990 series filing requirement, the system will accept those returns when filed electronically or on paper. Do not attempt to add EO filing requirements to an entity in status 40.

29. **Status Code 41** — Input when a status 40 organization has failed to reply to solicitation for application/notification. See IRM 21.3.8.5.1.3.1, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.

IRM 21.3.8.9.12(2) - Updated the status 36, status 40, and status 41 information as it relates to IRC 501(c)(4) and IRC 501(c)(29).

2. Because all non-churches were assigned an IRC 501(c)(4) designation by default, other statuses and/or IRC subsections may be more accurate for the organization based on information you collect from the caller. Information from any paper EO return filed by the entity will update/correct the master file data (including adding the EO submodule if there is none), but if the organization is not required to file (e.g., churches) or is going to e-file its EO return or submit a Form 990-N, e-Postcard, master file may need to be updated before the return/form can be successfully transmitted. Use the following table to update master file if, based on information supplied by the caller, you determine that status 36 and IRC 501(c)(4) are not appropriate for the entity. The table can also be used to correct the EO status and/or subsection of other entities that do not have a formal ruling of exemption or that are not part of a group ruling, including organizations in status 27 or status 28.

If the EO status of the entity on IDRS is	And, based on the caller's statements, the organization	Then
36 and IRC 501(c)(4)	Qualifies under a different subsection of IRC 501 (other than IRC 501(c)(3), (9), (17), or (29))	<ul style="list-style-type: none"> • Input a TC 016/definer A with the correct subsection and other required fields. • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
36 and IRC 501(c)(4)	Qualifies as a political organization under IRC 527	Instruct the caller to put the details of the request in a signed letter (How was the Form SS-4 completed?)

		<p>Is the organization required to file a Form 8871, <i>Political Organization Notice of Section 527 Status</i>, and, if so, did it?), including contact information, and to send the letter to EO Entity. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details.</p>
<p>27, 28, 31, 36, 40, 41, or 99</p>	<p>Qualifies as a church, i.e., status 30</p>	<ul style="list-style-type: none"> • Delete the EO submodule with a TC 022. Caution: Before deleting the submodule, research BMFOLI for any balances due or freeze codes on an EO return module. If any are found, do not delete the submodule. Transfer the caller to an EO accounts assistor to handle that issue before making any updates to the submodule. • Input a TC 016/definer B with the required fields (and cycle delayed), using the current month/year for the status code date. Note: If the organization is in status 27 or status 28, you may perfect the primary name line to remove the name of the former central organization and/or perfect/delete

		<p>the sort name line if the name on the sort name line or on a prior name line on CC ENMOD matches the current name of the organization as stated by the authorized caller. Be sure to use an appropriate cycle delay.</p> <ul style="list-style-type: none"> • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
<p>27, 28, 30, 36, 40, 41, or 99</p>	<p>Qualifies as a public charity under IRC 501(c)(3) with annual gross receipts averaging \$5,000 or less, i.e., status 31</p>	<ul style="list-style-type: none"> • Delete the EO submodule with a TC 022. Caution: Before deleting the submodule, research BMFOLI for any balances due or freeze codes on an EO return module. If any are found, do not delete the submodule. Transfer the caller to an EO accounts assistor to handle that issue before making any updates to the submodule. • Input a TC 016/definers AB with the required fields (and cycle delayed), using the current month/year for the

		<p>status code date and giving the organization a 990-02 filing requirement.</p> <p>Note: If the organization is in status 27 or status 28, you may perfect the primary name line to remove the name of the former central organization and/or perfect/delete the sort name line if the name on the sort name line or on a prior name line on CC ENMOD matches the current name of the organization as stated by the authorized caller. Be sure to use an appropriate cycle delay.</p> <ul style="list-style-type: none"> • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
<p>27, 28, 30, 31, or 36</p> <p>Note: This procedure also applies to organizations in status 41 if the organization has an organizing document that is dated within 27 months of the current date or within 27 months of</p>	<p>Qualifies as a public charity under IRC 501(c)(3) with annual gross receipts averaging more than \$5,000 or as an organization exempt under IRC 501(c)(4), (9), (17), or (29), i.e., status</p>	<ul style="list-style-type: none"> • Delete the EO submodule with a TC 022. <p>Caution: Before deleting the submodule, research BMFOLI for any balances due or freeze codes on an EO return module. If any are</p>

<p>the control date of a pending (open) Form 1023 (Form 1023-EZ for at risk organizations only) (IRC 501(c)(3)) or Form 1024 ((c)(9) or (17)), or because the organization claims exemption under IRC 501(c)(4) or (c)(29).</p>	<p>40 Note: Be sure to discuss the requirement to apply for exemption or to notify the IRS. Reminder: If the caller is authorized and claims the organization is described in IRC 501(c)(4), see IRM 21.3.8.12.29, <i>Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)</i>.</p>	<p>found, do not delete the submodule. Transfer the caller to an EO accounts assistor to handle that issue before making any updates to the submodule.</p> <ul style="list-style-type: none"> • Input a TC 016/definer B with the required fields (and cycle delayed), using the current month/year for the status code date. Note: If the organization is in status 27 or status 28, you may perfect the primary name line to remove the name of the former central organization and/or perfect/delete the sort name line if the name on the sort name line or on a prior name line on CC ENMOD matches the current name of the organization as stated by the authorized caller. Be sure to use an appropriate cycle delay. • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
<p>27, 28, 30, 31, 34, 40,</p>	<p>Qualifies under a</p>	<ul style="list-style-type: none"> • Delete the EO

41, or 99	subsection of IRC 501 other than IRC 501(c)(3), (4), (9), (17), or (29), i.e., status 36	<p>submodule with a TC 022.</p> <p>Caution: Before deleting the submodule, research BMFOLI for any balances due or freeze codes on an EO return module. If any are found, do not delete the submodule. Transfer the caller to an EO accounts assistor to handle that issue before making any updates to the submodule.</p> <p>Reminder: If the entity was set up as a political organization in error, you may also need to delete the political organization indicator and adjust the cycle delays accordingly. See IRM 21.3.8.10.2.12, <i>CP 249 Notices for IRC 527 Organizations</i>, for additional information.</p> <ul style="list-style-type: none"> • Input a TC 016/definers AB with the required fields (and cycle delayed), using the current month/year for the status code date and giving the organization a 990-01 or 990-02 filing requirement. <p>Note: If the organization is in status 27 or status</p>
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		<p>28, you may perfect the primary name line to remove the name of the former central organization and/or perfect/delete the sort name line if the name on the sort name line or on a prior name line on CC ENMOD matches the current name of the organization as stated by the authorized caller. Be sure to use an appropriate cycle delay.</p> <ul style="list-style-type: none"> • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
27, 28, 30, 31, 36, or 40	Does not qualify for exemption from federal income tax	<ul style="list-style-type: none"> • Delete the EO submodule with a TC 022. Caution: Before deleting the submodule, research BMFOLI for any EO return modules with a balance due or freeze codes. If any are found, do not delete the submodule. Transfer the caller to an EO accounts assistor to handle that issue before making any updates to the

		<p>submodule.</p> <ul style="list-style-type: none"> • Input a TC 016 with a cycle delay (BNCHG) and give the entity a taxable return filing requirement based on the entity type as stated by the caller: Form 1120 (corporations and unincorporated associations) or Form 1041 (trusts). Note: If the organization is in status 27 or status 28, you may perfect the primary name line to remove the name of the former central organization and/or perfect/delete the sort name line if the name on the sort name line or on a prior name line on CC ENMOD matches the current name of the organization as stated by the authorized caller. Be sure to use an appropriate cycle delay. • Notate AMS with the actions taken and under whose authority (use only the caller's relationship to the organization, e.g., treasurer, and not the caller's name).
30, 31, or 36	Caller claims that the entity requested	<ul style="list-style-type: none"> • Instruct the caller to put the details of the

	<p>an EIN prematurely and that the entity never organized or operated and requests that the EIN be cancelled and/or that the filing requirements be removed.</p>	<p>request in a signed letter, including contact information, and to send the letter to EO Entity. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details.</p> <ul style="list-style-type: none"> • Notate AMS with a summary of the request (use only the caller's relationship to the entity, e.g., responsible party on EIN request, and not the caller's name).
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REMINDER: If a master file update is required before an EO return or a Form 990-N can be successfully transmitted, advise the caller to allow at least four weeks for the necessary systems to be updated (updates involving cycle delays may take up to six weeks). If the organization is at risk for auto-revocation, refer to IRM 21.3.8.12.24.4, *Special Procedures for Organizations That Require an Integrated Data Retrieval System (IDRS) Update to Submit the Form 990-N Timely*, for additional required actions. Also take the Form 990-N information if the organization's Form 990-N rejected and the organization has no additional registered users to submit the form once master file is updated.

IRM 21.3.8.12.6(3) - Updated the procedures for status 21 and status 20 when updating the organization to the prior status when the organization claims exemption under IRC 501(c)(4) or IRC 501(c)(29), including added a Caution after the table.

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

If the organization is in	Then
<p>Status 21 with a status code date of 201105 or earlier</p>	<p>1. Verify the organization's mailing address and update it on IDRS (as appropriate).</p> <p>2. Research EDS to determine whether</p>

	<p>the organization was exempted from filing a Form 990 series return (990-06, 990-13, 990-14).</p> <ul style="list-style-type: none"> • If yes, update the organization’s EO submodule and, if requested or if otherwise applicable, send the appropriate affirmation letter. Caution: Call site assistants must not attempt to update the submodules for central organizations (affiliation codes 6 and 8), but rather must prepare a Form 4442 referral to EO Entity using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>. See IRM 21.3.8.9.10, <i>Transaction Codes (TCs) for the Entity Module</i>, for additional information. Refer to (6)(e). • If no or if the EDS research is unavailable or inconclusive, explain to the caller that additional research is required to determine whether the organization’s exemption can be reinstated based on the information available or whether an application and user fee will be required for reinstatement because of auto-revocation. Tell the caller that, within 60 days, the organization will receive written information that provides the organization with its status or will be contacted for additional information. Prepare a referral to the EO Correspondence Unit using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>, and include the contact information and any other relevant details.
<p>Status 21 with a status code date of 201106 or later</p>	<p>1. Verify the organization’s mailing address and update it on IDRS (as appropriate).</p>

	<p>2. Research EDS to determine whether the organization was exempted from filing a Form 990 series return (990-06, 990-13, 990-14).</p> <ul style="list-style-type: none">• If yes, update the organization's EO submodule and, if requested or if otherwise applicable, send the appropriate affirmation letter.• If no (including organizations for which there is no EDS information), update IDRS to put the organization into the status it held prior to status 21 (see the Caution following the table) and, if requested or if otherwise applicable, prepare the appropriate letter. Ensure that the organization knows about its annual filing requirement. If the organization has not filed a return/submitted a Form 990-N for the previous two periods, stress to the caller that the organization must file a complete and timely return or submit a timely Form 990-N for the third year or its exemption will be automatically revoked. Reminder: If the organization has an individual ruling and the caller claims to have a letter from the IRS exempting it from the annual filing requirement, instruct the caller to send a copy of the ruling letter and a cover letter to the EO Correspondence Unit. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details. <p>Note: The status code date you use is dependent on the status the entity held prior to being in status 21:</p>
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	<ul style="list-style-type: none"> ▸ If the prior status is 01 and the effective date of exemption cannot be determined from EDS/TEDS research, check CC BMFOLO for a deductibility year. If found, use January of that year for the status code date. For example, if CC BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on CC BMFOLO, use the ruling date for the status code date. ▸ If the prior status is 31 or 36 (see the Caution following the table), use the establishment date. ▸ If the prior status is 40, see the Note below the table. <p>Caution: Call site assistors must not attempt to update the submodules for central organizations (affiliation codes 6 and 8), but rather must prepare a Form 4442 referral to EO Entity using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>. See IRM 21.3.8.9.10, <i>Transaction Codes (TCs) for the Entity Module</i>, for additional information. Refer to (6)(e).</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>Note: Until a new status code is designated for that purpose, status 20 is also used for government entities that have voluntarily given up their exemption under IRC 501(c)(3) without terminating the organization. See IRM 21.3.8.12.5.1.1, <i>Government Entities That Voluntarily Relinquish Their IRC 501(c)(3) Exemption</i>, for additional</p>

	<p>information.</p> <p>If the caller says the organization never terminated and asks how to reinstate the existing exemption, research EDS to determine if:</p> <ul style="list-style-type: none"> • A "T" case was processed. • An "A" case as described in IRM 21.3.8.12.5.1.1, <i>Government Entities That Voluntarily Relinquish Their IRC 501(c)(3) Exemption</i>, was closed prior to the status 20 date. <p>If either bullet applies, explain to the caller that the organization must reapply to be tax exempt. Otherwise:</p> <ul style="list-style-type: none"> • If there was a ruling on EDS dated prior to the status 20 date that exempted the organization from a Form 990 series filing requirement (i.e., 990-06, 990-13, or 990-14) AND neither of the first two bullets applies, use the information from EDS to update IDRS and, if requested or if otherwise applicable, prepare an affirmation letter. Notate AMS accordingly. • If there is no indication the organization had been exempt from the annual filing requirement and the organization has filed at least one annual return in the last three fiscal periods AND neither of the first two bullets applies, update IDRS to put the organization into the status it held prior to status 20 (see the Caution following the table) and, if requested or if otherwise applicable, prepare the appropriate letter. Notate AMS accordingly. <p>Note: The status code date you</p>
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	<p>use is dependent on the status the entity held prior to being in status 20:</p> <ul style="list-style-type: none"> ▸ If the prior status is 01 and the effective date of exemption cannot be determined from EDS/TEDS research, check CC BMFOLO for a deductibility year. If found, use January of that year for the status code date. For example, if CC BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on CC BMFOLO, use the ruling date for the status code date. ▸ If the prior status is 31 or 36 (see the Caution following the table), use the establishment date. ▸ If the prior status is 40, see the Note below the table. <p>If none of the bullets apply, prepare a Form 4442 referral with the organization's contact information and the notation that the organization wants its exemption reinstated and route the referral based on the status of the organization prior to its being put in status 20.</p> <ul style="list-style-type: none"> • If the organization had had formal exemption, send the referral to the EO Correspondence Unit using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>. • If the organization had not had formal exemption (i.e., status 31, status 40, and status 36), send the referral to EO Accounts using the fax number in Exhibit 21.3.8-15, <i>Contact Information</i>.
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<p>Status 32</p> <p>Note: No new organizations have been put into this status since January 2008.</p>	<p>1. Research CC BMFOL/TXMOD to determine if a Form <u>990</u>/Form <u>990-EZ</u> has posted (TC 150) or was received for processing (TC 594/599) after the Status 32 date.</p> <p>a. If a Form <u>990</u>/Form <u>990-EZ</u> 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 CC BMFOLO for a deductibility year. If found, use January of that year for the status code date, e.g., if CC BMFOLO shows a deductibility year of 1989, use 198901 for the status code date. If no deductibility code is found on CC 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/Form 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</p>
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	<p>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"> • 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. • Advise the caller that the organization needs to file Form 990 or submit a Form 990-N in order to update the status. <ul style="list-style-type: none"> Note: 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. • 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, <i>Ordering Forms and Publications</i>. • 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
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	<p>procedures.</p> <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 copy of its completed Form 990/Form 990-EZ Sch A, <i>Public Charity Status and Public Support</i>, as well as the appropriate user fee (see Rev. Proc. 2019-5 or its successor for the current fee), to EO Rulings & Agreement. See the Form 8940 instructions for address details.</p> <p>If the organization has a foundation code 09, see IRM 21.3.8.12.5.4, <i>Change in Foundation Classification</i>. Refer to paragraph (7).</p> <p>3. See IRM 21.3.8.7.3, <i>Choosing the Appropriate Letter</i>, 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 EO Entity. See Exhibit 21.3.8-15, <i>Contact Information</i>, for address and fax number details.</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 send to:</p> <p>Office of Foreign Assets Control (OFAC)</p>

	<p>U.S. Department of the Treasury Treasury Annex 1500 Pennsylvania Avenue NW 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, <i>Responding to Calls From or About Organizations in Status 97</i>.</p> <p>Reminder: No organization will have its exemption reinstated if it was required to file an annual information return or to submit the Form 990-N and failed to do so for three consecutive years for tax years that began after December 31, 2006, unless the organization submits a new application and pays the required user fee.</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 appropriate support schedule from Form 990/Form 990-EZ Sch A, <i>Public Charity Status and Public Support</i>, with its application, as that information is irrelevant to the new application.</p>

CAUTION: If the organization shows a prior status 36 and claims exemption under IRC 501(c)(4), do not put the organization back into status 36 unless the organization filed a Form 990 series return on or before July 8, 2016, or notified the IRS per IRC 506 (check BMFOLO for ORG DT and REG DT). If neither condition is met, put the organization in status 40 and refer to the status 40 information in the following Note. Similarly, if the organization

shows a prior status 36 and claims exemption under IRC 501(c)(29), put the organization in status 40 and refer to the status 40 information in the following Note.

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) or letter application for 501(c)(29)) or, if the organization is claiming exemption under 501(c)(4), it is required to notify the IRS of that per IRC 506 (see IRM 21.3.8.12.29, *Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)*, for details). Provide the appropriate application/notification filing guidance. If the status of the organization is more appropriately status 30, 31, or 36, 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*.

IRM 21.3.8.12.24.2(2) - Updated the status 36 and status 40 information in the Reminder and in the Note as it relates to IRC 501(c)(4) and IRC 501(c)(29).

2. Organizations that are not required to apply for formal exemption, newly-formed organizations, and organizations with a pending (open) 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, follow the procedures outlined in this and in subsequent subsections to take information from the caller that will allow the establishment of a submodule.

EXCEPTION: Unless the organization is at risk of auto-revocation, do not prepare a Data Sheet if the organization has a ruling that didn't roll from EDS (see IRM 21.3.8.3.8, *Researching and Perfecting Entity/Exempt Organization (EO) Submodule Information on the Master File*, for details) or if it has a pending (open) Form 1023-EZ application. Do not prepare a Data Sheet if the organization is exempt from submitting or is ineligible to submit a Form 990-N.

REMINDER: In addition to taking the submodule information to update IDRS to status 40 for organizations described in IRC 501(c)(4) that do not already have a submodule, see IRM 21.3.8.12.29, *Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)*, for additional information.

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 must be changed to status 31 (because the organization qualifies as a public charity with annual gross receipts averaging \$5000 or less per the applicable gross receipts test), to status 36 (because the organization qualifies for exemption under a subsection other than (c)(3), (c)(4), (c)(9), (c)(17), or (c)(29)), 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 (open) Form 1023 (Form 1023-EZ for at risk organizations only (IRC 501(c)(3)) or Form 1024 ((c)(9) and (c)(17) or because the organization claims exemption under IRC 501(c)(4) or (c)(29), 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 may submit its Form 990-N in four weeks (up to six weeks if posting delays are involved) 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.

IRM 21.3.8.12.24.2.2(3) - Updated the status 36 and status 40 information as it relates to IRC 501(c)(4) and IRC 501(c)(29).

3. Determine the appropriate status code for the submodule:
 - If (c)(3) public charity with gross receipts of \$5,000 or less, mark status 31 on the data sheet.
 - If (c)(3) public charity with gross receipts over \$5,000 or if a (c)(4), (c)(9), (c)(17), or (c)(29), mark status 40 on the data sheet and inform the caller that the organization may submit an initial Form 990-N but that it is required to apply for formal recognition or, in the case of IRC 501(c)(4), to notify the IRS per IRC 506.
 - If other than (c)(3), (4), (9), (17), or (29), mark status 36 and the appropriate subsection on the data sheet.

CAUTION: See IRM 21.3.8.12.29, *Notification Requirements for Social Welfare Organizations Described in IRC 501(c)(4)*, if the caller's organization is described in IRC 501(c)(4).