



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.13.12

NOVEMBER 30, 2023

## EFFECTIVE DATE

(01-01-2024)

## PURPOSE

- (1) This transmits revised IRM 3.13.12, Campus Document Services, Exempt Organization Account Numbers.

## MATERIAL CHANGES

- (1) Removed references to sections 501(c)(20) organizations throughout the IRM as it's not applicable. IPU 23U0966 issued 09-20-2023.
- (2) IRM 3.13.12.1.4 - Updated glossary items. IPU 23U0966 issued 09-20-2023.
- (3) IRM 3.13.12.1.7 - Added CP notices 120B and 120C to the list. Removed CP notice 576C as it's obsolete. IPU 23U0507 issued 04-14-2023.
- (4) IRM 3.13.12.2 - Updated returns received instructions in paragraph (3). IPU 23U0801 issued 07-05-2023.
- (5) IRM 3.13.12.2 - Removed reference to Form 3699 as it is obsolete. Replaced with Form 14219. IPU 23U0507 issued 04-14-2023.
- (6) IRM 3.13.12.6.4 - Clarified paragraph 10 regarding sort name line. IPU 23U0966 issued 09-20-2023.
- (7) IRM 3.13.12.6.6 - Clarified sort name information. IPU 23U0966 issued 09-20-2023.
- (8) IRM 3.13.12.6.10 - Updated example for inputting trust name information on the sort name line. Clarified where to input account number information for Form 5227 and IRAs. IPU 23U0507 issued 04-14-2023.
- (9) IRM 3.13.12.6.12.3 - Updated street address abbreviations. IPU 23U0507 issued 04-14-2023.
- (10) IRM 3.13.12.6.18.11 - Updated EO Status Code 21 information. IPU 23U0966 issued 09-20-2023.
- (11) IRM 3.13.12.6.18.19 - Updated to state a FYM is required with status code 31 input. IPU 23U0801 issued 07-05-2023.
- (12) IRM 3.13.12.6.18.19 - Removed the word voluntarily from Status 31 criteria as organizations are required to file a return when their gross receipts are under \$5,000. Added instruction for Status 31 transcripts, if unable to determine gross receipts, no action is needed. IPU 23U0507 issued 04-14-2023.
- (13) IRM 3.13.12.6.18.22 - Updated the classification code to use with Status Code 36. IPU 23U0507 issued 04-14-2023.
- (14) IRM 3.13.12.6.18.22 - Updated the classification code to use with Status Code 36. IPU 23U0966 issued 09-20-2023.
- (15) IRM 3.13.12.6.18.23 - Added instructions to input an FYM with status 40. IPU 23U0801 issued 07-05-2023.

- (16) IRM 3.13.12.6.18.24 - Updated EO Status Codes 41 and 42 procedures. IPU 23U0966 issued 09-20-2023.
- (17) IRM 3.13.12.6.18.27 - Updated EO Status Code 99 information. IPU 23U0966 issued 09-20-2023.
- (18) IRM 3.13.12.6.30 - Added information on how to identify the NTEE code on EDS. Provided a link to the IRM on how to input the NTEE code. IPU 23U0966 issued 09-20-2023.
- (19) IRM 3.13.12.7.3 - Clarified instructions for inputting a TC 022. IPU 23U0801 issued 07-05-2023.
- (20) IRM 3.13.12.9.1 - Clarified editing instructions on documents for ERS or rejects. IPU 23U0966 issued 09-20-2023.
- (21) IRM 3.13.12.9.6 - Clarified Form 8868 instructions. IPU 23U0966 issued 09-20-2023.
- (22) IRM 3.13.12.9.6 - Updated Form 8868 instructions. IPU 23U0801 issued 07-05-2023.
- (23) IRM 3.13.12.9.6 - Added clarification when to assign an EIN if Form 8868 doesn't state one. IPU 23U0507 issued 04-14-2023.
- (24) IRM 3.13.12.9.7 - Updated subsection descriptions. IPU 23U0966 issued 09-20-2023.
- (25) IRM 3.13.12.9.10 - Clarified Form 990-N, ePostcard instructions. IPU 23U0801 issued 07-05-2023.
- (26) IRM 3.13.12.9.10 - Clarified that classification code 2 is used because the organization has no formal exemption. IPU 23U0507 issued 04-14-2023.
- (27) IRM 3.13.12.9.10.1 - Added instructions to ensure user is logged in to the ePostcard site as the preparer. IPU 23U0801 issued 07-05-2023.
- (28) IRM 3.13.12.9.10.1 - Updated information for submitting an e-Postcard. IPU 23U0507 issued 04-14-2023.
- (29) IRM 3.13.12.9.19 - Updated Form 4720 information. IPU 23U0966 issued 09-20-2023.
- (30) IRM 3.13.12.9.20 - Updated Form 4720-A information. IPU 23U0966 issued 09-20-2023.
- (31) IRM 3.13.12.9.21.1 - Updated instructions for trusts other than IRC 664. IPU 23U0507 issued 04-14-2023.
- (32) IRM 3.13.12.11.4 - Updated Status 97 correspondence instructions. IPU 23U0801 issued 07-05-2023.
- (33) IRM 3.13.12.11.4(3) - Updated Status 97 Chart with current dates.
- (34) IRM 3.13.12.11.10 - Added instructions on working inquiries received concerning information on TEOS. IPU 23U0801 issued 07-05-2023.
- (35) IRM 3.13.12.12.10.4.7 - Updated instructions for inactive subordinates. IPU 23U0966 issued 09-20-2023.
- (36) IRM 3.13.12.12.7 - Added instruction to use document code 81 with definer code E when removing a group ruling from the parent organization. IPU 23U0801 issued 07-05-2023.
- (37) IRM 3.13.12.12.10.4.4 - Clarified instructions on updating subordinates that are no longer under a group ruling. IPU 23U0507 issued 04-14-2023.
- (38) IRM 3.13.12.12.10.4.5. - Clarified instructions for adding a new subordinate. IPU 23U0966 issued 09-20-2023.

- (39) IRM 3.13.12.12.10.4.5 - Updated instructions when adding a subordinate to a group ruling. IPU 23U0801 issued 07-05-2023.
- (40) IRM 3.13.12.14.1.1 - Added link to the POL site. IPU 23U0801 issued 07-05-2023.
- (41) IRM 3.13.12.14.1.2 - Clarified Form 8453-X instructions. IPU 23U0801 issued 07-05-2023.
- (42) IRM 3.13.12.19 - Clarified TC 971 ac 370 input instructions. IPU 23U0801 issued 07-05-2023.
- (43) IRM 3.13.12.20.2 - Updated to state responses to a CP 120A are worked per IRM 3.13.12.11.4, Status 97 Correspondence instructions. IPU 23U0801 issued 07-05-2023.
- (44) IRM 3.13.12.20.7 - Added hyperlink to status 40 IRM reference. IPU 23U0801 issued 07-05-2023.
- (45) IRM 3.13.12.21 - Updated to state USPS sticker instead of yellow sticker. IPU 23U0507 issued 04-14-2023.
- (46) IRM 3.13.12.21.1 - Clarified undeliverable notice procedures. IPU 23U0507 issued 04-14-2023.
- (47) IRM 3.13.12.21.2 - Clarified undeliverable correspondence procedures. IPU 23U0507 issued 04-14-2023.
- (48) IRM 3.13.12.21.4 - Clarified undeliverable return procedures. IPU 23U0507 issued 04-14-2023.
- (49) IRM 3.13.12.22 - Added Form 990-EZ and 990-N to the list of forms. IPU 23U0507 issued 04-14-2023.
- (50) Editorial changes made throughout the IRM for clarity. Reviewed and updated grammar, punctuation, links, titles, website addresses and IRM references.

#### **EFFECT ON OTHER DOCUMENTS**

IRM 3.13.12, dated January 1, 2023, is superseded. This IRM incorporates IRM Procedural Updates (IPUs) 23U0507 issued 04-14-2023, 23U0801 issued 07-05-2023 and 23U0966 issued 09-20-2023.

#### **AUDIENCE**

This IRM is intended for use by the Ogden Campus Exempt Organization Entity personnel.

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Shared Services  
Tax Exempt and Government Entities



3.13.12

Exempt Organization Account Numbers

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      - 3.13.12.17.3.1 Background
  - 3.13.12.18 Form 1128
    - 3.13.12.18.1 General Instructions
    - 3.13.12.18.2 Processed at the Campus
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    - 3.13.12.18.5 Late Filing Appeals
    - 3.13.12.18.6 User Fees
    - 3.13.12.18.7 Incomplete Form 1128
    - 3.13.12.18.8 Revenue Procedure 85-58 or 76-10
    - 3.13.12.18.9 Necessary Conditions
      - 3.13.12.18.9.1 Timeliness
      - 3.13.12.18.9.2 Eligibility
      - 3.13.12.18.9.3 Completeness
    - 3.13.12.18.10 Form 3115, Application for Change in Accounting Method
    - 3.13.12.18.11 Revenue Procedure 2003-62
    - 3.13.12.18.12 Processing Accepted Form 1128
    - 3.13.12.18.13 Processing Rejected Form 1128
    - 3.13.12.18.14 Processing Approved or Disapproved National Office Requests
  - 3.13.12.19 Form 8886-T

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- 3.13.12.19.1 Form 8703 - Annual Certification of a Residential Rental Project
  - 3.13.12.20 Notices and Transcripts
    - 3.13.12.20.1 CP 120
    - 3.13.12.20.2 CP 120A
    - 3.13.12.20.3 CP 120B
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    - 3.13.12.20.7 EO-EIN Transcripts
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    - 3.13.12.22.6 Notices and Forms
    - 3.13.12.22.7 Batching Return Delinquency Responses
    - 3.13.12.22.8 Processing of EO Return Delinquency Notice Responses
      - 3.13.12.22.8.1 Responses With Original Returns
      - 3.13.12.22.8.2 Responses With Copies of Original Returns
      - 3.13.12.22.8.3 Responses With No Return Attached
      - 3.13.12.22.8.4 Responses Indicating Not Required to File
      - 3.13.12.22.8.5 Responses With Different Form of Return
      - 3.13.12.22.8.6 Responses Indicating Merger With Another Organization
      - 3.13.12.22.8.7 Responses Indicating Part of a Group Return

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- 3.13.12.22.8.8 Responses Requesting a Form for Filing
  - 3.13.12.22.8.9 Responses Indicating Incorrect Accounting
  - 3.13.12.22.8.10 Responses Indicating Not Required to File-Church or Religious Organization
  - 3.13.12.22.8.11 Responses Indicating Exempt Under IRC Section 501(c)(1)
  - 3.13.12.22.8.12 Responses With Different EO Return
  - 3.13.12.22.8.13 Responses Indicating No Liability to File
  - 3.13.12.22.8.14 Miscellaneous Responses
  - 3.13.12.22.8.15 Insufficient Responses
  - 3.13.12.22.8.16 Third Party Responses
  - 3.13.12.22.8.17 Responses Indicating EIN Change or Entity Problems
  - 3.13.12.22.8.18 Credit Balance
  - 3.13.12.22.9 2050 Letters
  - 3.13.12.22.10 EC TDI Res Transcripts
  - 3.13.12.23 LATDEP-FED Transcripts

3.13.12.1  
(01-01-2022)  
**Program Scope and Objectives**

- (1) The objective of this IRM is to:
  - Provide clear instructions and processing guidelines for Exempt Organization Entity Employees.
  - Eliminate the need for separate desk instructions.
- (2) Audience - Exempt Organization Entity Employees, Ogden Campus.
- (3) Policy Owner - Business Systems Planning (BSP) Director.
- (4) Project Owner - Submission Processing Programs.
- (5) Stakeholders - Exempt Organization Headquarters who rely on correct entity information for processing of exempt organization returns.
- (6) The following IRMs are used in conjunction with IRM 3.13.12:
  - IRM 3.12.278, Exempt Organization Unpostable Resolution
  - IRM 3.12.32, General Unpostables
  - IRM 3.12.279, BMF/CAWR/PMF Unpostables Resolution
  - IRM 3.13.2, BMF Account Numbers
  - IRM 3.11.12, Exempt Organization Returns
  - IRM 3.12.12, Exempt Organization Returns
  - IRM 3.10.72, Receiving, Extracting, Sorting
  - IRM 3.10.73, Batching and Numbering
  - IRM 3.13.62, Media Transport and Control
  - IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates
  - IRM 3.8.46, Discovered Remittance
  - IRM 3.17.220, Excess Collections File
  - IRM 3.5.61, Files Management and Services
  - IRM 21.2.3, Transcripts
  - IRM 2.4, IDRS Terminal Input
  - IRM 2.4.10, CC EOREQ and EOCHG
  - IRM 2.4.9, CC ENREQ and BNCHG
  - IRM 2.3, IDRS Terminal Responses
  - IRM 21.7.13, Assigning Employer Identification Numbers
- (7) This IRM includes information and instructions to work EO entity cases and can't cover all situations, so judgment is needed to work the case. Contact your Manager or Lead tax examiner to determine if your decision is valid. You should request an IRM change to add instructions if you encounter repeated problems or issues that are not currently in the IRM.
- (8) The instructions for processing Form SS-4, Application for Employer Identification Number, and using the CC ESIGN are located in IRM 21.7.13, Assigning Employer Identification Numbers. Refer to this IRM when processing Form SS-4 or using CC ESIGN to assign an Employer Identification Number (EIN). The following table should be used when assigning an EIN to determine the Business Operational Date (BOD):

If	Then use
The entity is a trust	The date the trust was funded

If	Then use
The entity is an estate	<ul style="list-style-type: none"> <li>The date of death of the decedent, or</li> <li>The date the estate was legally funded (when probate completed and assets flowed into the account).</li> </ul>
<ul style="list-style-type: none"> <li>A BOD isn't indicated, and</li> <li>The entity has employees and indicates a wages paid date (line 15 of the Form SS-4)</li> </ul>	<ul style="list-style-type: none"> <li>The wages paid date. <b>Exception:</b> If the wages paid date is later than the current date, use the current date as the BOD.</li> </ul>
<ul style="list-style-type: none"> <li>A BOD isn't indicated,</li> <li>The entity doesn't have employees, and/or</li> <li>A wages paid date isn't indicated</li> </ul>	The current date.
<ul style="list-style-type: none"> <li>A BOD isn't indicated, and</li> <li>The taxpayer is required to file Form 1042, Form 730, or Form 2290</li> </ul>	The current date.

3.13.12.1.1  
(01-01-2022)  
**Responsibilities**

- (1) EO Entity Employees work the following:
  - Establishing entities on the BMF.
  - Maintaining entities on the BMF.
  - Updating entities on the BMF.
  - Processing Form 1128, Application to Adopt, Change or Retain a Tax Year.
  - Processing Form 8274, Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption from Employer Social Security Taxes.
  - Processing Form SS –16, Certificate of Election of Coverage Under the Federal Insurance Contribution Act.
  - Processing taxpayer correspondence relating to entity.
  - Consolidating multiple EINs.
  - Maintaining exempt organizations.
  - Processing exempt organization delinquent notices.
  - Processing supplemental group ruling information (SGRI).
  - Assigning group exemption numbers (GEN).
  - Processing returns without an employer identification number or a change of organization.
- (2) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord



with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

3.13.12.1.2  
(01-01-2022)  
**Program Controls**

- (1) Incoming mail and cases are either delivered to the EO Entity Clerical Support area or picked up by an EO Entity designee from the appropriate areas on a daily basis.
- (2) All time frames start from local received date unless otherwise specified. The turnover time frames are as follows:
  - Returns from Receipt and Control is five (5) days from the IRS received date.
  - Returns from all other functions is five (5) days from receipt in the Entity function.
  - Expedite cases are two (2) days from receipt in the Entity function.
- (3) Basic sorting categories with the working time frames and batch sizes are as follows:

BBTS Category	Required Time Frame	Work Type	Suggested Batch Size	Acceptable Overaged %
SS – 4	5	Form SS – 4	25	5
Returns	5	BMF/EO	25	20
EO Extensions	5	Form 8868	25	20
Rejects	10	Error Correction	25	20
1128	30	Form 1128	25	20
Corr.	30	Correspondence ( pilot vouchers)	25	20
EO Undeliverables	30	Undeliverable notices, undeliverable SGRI's	25	20
SGRI	60	SGRI	20	20
EO TDI	30	EO TDI	25	20
All Other	30	Address Changes, CPs, 59X Transcripts, Form 2363 Changes	25 or less	20
REV EMP C	45	REV EMP C Transcripts	25 or less	20

BBTS Category	Required Time Frame	Work Type	Suggested Batch Size	Acceptable Overaged %
Private Activity Bonds	30	Private Activity Bonds	25 or less	20
527 Political Organizations	2	Forms 8453-X/8872	25 or less	5
Special Projects	30	Special Projects	25	20

- (4) The campuses may expand the basic categories. In this case, base the batch size of each category on batch sizing theory.
- (5) If, in sorting the mail, an item belongs in another category, sort as appropriate.
- (6) The sorter must have a better than average knowledge of Taxpayer Advocate cases. If the item meets prescribed Taxpayer Advocate criteria, don't sort as previously instructed. Refer these items to the Manager or designee for expedite handling. See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, for TAS case criteria.
- (7) Base batch sizes on a theory of volume. All entity cases are to be worked within a time frame based on IRS received date, batch all work by the end of each day or whatever time the campus designates as end of day. Therefore, work batched late in the day most likely will not meet maximum batch size. In addition, other circumstances may dictate batch sizes be smaller than prescribed.
- (8) Although not required, combine partially worked batches of like cases and same date in order to keep the work flowing and reduce inventories.

**Example:** An examiner has a batch of 100 Forms SS - 4 with 25 completed cases and a batch of 100 Forms SS-4 with 75 completed cases. Both batches have the same received date. Combine the 25 and 75 completed items and release as one batch leaving the examiner with one un-worked batch of 100 Forms SS - 4.

- (9) It is important to be able to readily identify types of work and the working time frame without having to look at each individual batch. One way of achieving this is to use colored folders for the batches of work.
- (10) There are certain types of cases which are generally not delivered to EO Entity by mail. Instead, they are hand-carried to the Manager or a designee. It is the Manager's responsibility to batch these cases with the appropriate working time frames.
- (11) The point of count is a step in the process when work is counted, released, completed and/or resolved. A document, module, transcript etc., is counted as one. Refer to IRM 3.30.20, Organization, Function, and Program (OFP) Codes.

**Example:** Consolidations should be counted once under the specific category of the document being worked and once for each additional employer identification number being consolidated excluding the original number.

3.13.12.1.3  
(01-01-2022)  
**IRM Format**

- (1) The format of this IRM includes:
  - Indented bullets (•) are used when the order of items isn't important.
  - Indented numerical listings are steps done in the order listed.
  - Indented alphabetical listings are procedures done in no particular order.

3.13.12.1.4  
(09-20-2023)  
**Glossary of Terms**

- (1) **Account:** One taxpayer identified by a Social Security number or employer identification number. Each account is a record of the type of returns filed and the related tax periods.
- (2) **Accounts Maintenance Transcripts:** A transcript generated when an unresolved credit is on the Master File.
- (3) **Amended Return:** A second return filed that changes the information submitted on the original return.
- (4) **Automated Collection System:** (ACS) An automatic calling system for tax periods, within an account, that are in taxpayer delinquent investigation or taxpayer delinquent account status.
- (5) **Asset Code:** Used to identify end of year total assets.
- (6) **Automatic Data Processing – (ADP):** The handling and processing of data from its electronic machines with a minimum of human intervention.
- (7) **Batch:** A group of work of like documents within a program code.
- (8) **Blocking Series:** A special identification within a Document Locator Number (DLN) that requires or identifies special action.
- (9) **Business Master File - (BMF):** A magnetic tape file containing information about organization filing business returns and related documents.
- (10) **Business Operating Division (BOD):** Effective 01/01/2000, all IMF, BMF, and EPMF taxpayers will be systemically assigned to a BOD code based on the characteristics of the tax return. IMF taxpayers will either be assigned to the SB (Small Business/Self-Employed) BOD or to the WI (Wage and Investment) BOD. BMF taxpayers will be assigned to the LB & I (Large Business & International) BOD, to the TE (Tax Exempt) BOD or to the SB BOD.
- (11) **Calendar Year:** The 12 month period from January 1 through December 31.
- (12) **Command Code (CC):** Five-character code used to input data on the Integrated Data Retrieval System (IDRS).
- (13) **Computer Paragraph (CP):** Computer generated notices to request information or give information to the organization regarding certain aspects of their tax return. Also, certain notices are generated to inform the campuses of posting to the Master File that require additional action.

- (14) **Consolidate:** The moving of data when one organization has erroneously been given more than one Taxpayer Identification Number (TIN).
- (15) **Credit Balance:** A term noting a credit outstanding on a module. Identified by a minus (–) after the amount.
- (16) **Cross Reference (X-Ref):** Identifies related Taxpayer Identification Numbers (TINs) and sort names (DBA).
- (17) **Cycle:** One week's processing at the campuses and Martinsburg Computing Center. The cycle is expressed by a 6 digit code. The first four digits represent the processing year and the last two digits represent the processing week in the year.
- (18) **Document Locator Number (DLN):** A controlled fourteen digit number assigned to every return or document input through the Automatic Data Processing (ADP) system. The last digit is the year of processing and is assigned by the Campus Computer Program at the time of the original input. The DLN is used to control, identify, and locate documents processing in the ADP system.
- (19) **Dummy Return:** An input return not prepared by the organization or an input document treated as a return.
- (20) **Employer Identification Number (EIN):** An assigned 9-digit number that identifies a business tax account.
- (21) **Employment Code (EC):** A one-letter code used to identify certain employers regarding Social Security Taxes and Federal Unemployment Tax.
- (22) **Entity:** The portion of the Master File record that identifies the organization. The entity contains:
- name
  - address
  - social security (SSN) or employer identification number (EIN)
  - employment code (EC), if applicable
  - name control (NC), four characters from the organization name
  - location codes
  - filing requirement codes (FRC)
  - fiscal period
  - date of establishment
- (23) **Excess Collections:** An account of unapplied credits transferred from an unidentified or Master File account.
- (24) **Exempt Organization (EO):** Generally organizations exempt from federal income tax under IRC 501(a) of 1986. IRC 501(c)(3), IRC 501(c)(9), IRC 501(c)(17) and IRC 501(c)(29) organizations are **required** to notify the Service they are seeking tax-exempt status and must file a Form 1023-EZ, Form 1023 or Form 1024 as applicable. IRC 501(c) organizations **other than** IRC 501(c)(3), IRC 501(c)(9), IRC 501(c)(17) and IRC 501(c)(29) are **not** required to file an application for exemption, though they may do so. They are considered exempt even though they don't apply for exemption. Organizations that are recognized as tax-exempt and their actual activities are not what they described in their application or are not appropriate for their subsection code, can have their tax-exempt status revoked retroactively. Organizations described in IRC 501(c)(4) must notify the IRS of their intent to operate, no

later than 60 days after the organization is established, by electronically submitting a Form 9976. Organizations seeking recognition of exemption under IRC 501(c)(4) are required to file Form 1024-A.

- (25) **File Source:** A one-digit code that follows the Taxpayer Identification Number (TIN). The common values are:
- Blank - valid SSN or EIN
  - \* - invalid SSN on IMF
  - V - valid SSN on BMF
  - W - invalid SSN on BMF
  - D - temporary TIN
  - P - valid IRA SSN
  - X - invalid IRA SSN
  - P - valid EPMF EIN
  - X - invalid EPMF EIN
- (26) **Filing Requirement Code (FRC):** Identifies the type of return an organization must file.
- (27) **Fiscal Year Month (FYM):** Any month an organization elects to be the ending month of an accounting year.
- (28) **Group Exemption Number (GEN):** A four-digit number issued to a parent organization and its subordinate chapters covered under a group ruling.
- (29) **Group Exemption Roster (GER):** GER (Document 6023) is an alphabetic and numeric listing of parent organizations that were issued Group Exemption Numbers. CC EOGEN allows online research of the GER using the GEN number of the group.
- (30) **Group Return:** Form 990 marked "Group Return" or "Consolidated" is a return filed by the Parent Organization for all subordinates electing to be covered under the group return. This return is in addition to the Parent's own return.
- (31) **Income Code:** Used to identify yearly receipts for Exempt Organization (EO) Business Master File (BMF) returns.
- (32) **Integrated Data Retrieval System (IDRS):** A computer system with the capability to instantaneously retrieve or update stored information. IDRS works with the Master File or organization accounts. The purpose of the system is quick resolution of problems and inquires concerning current and prior taxpayer accounts.
- (33) **Martinsburg Computing Center (MCC):** The Martinsburg Computing Center is located in Martinsburg, WV, where business and individual transactions are posted to the various Master Files (MFs).
- (34) **Master File (MF):** A magnetic tape record containing information about business and individual returns and related documents. The Business Master File (BMF) contains records on each entity, divided into two sections, entity section and returns section.
- (35) **Master File Tax Account Code (MFT):** A two-digit number that identifies the type of tax form.

- (36) **Merger:** A combination of two or more corporations. One is the successor corporation and the other corporation finalizes their return. **Don't** confuse merger with *consolidate* (TC 011).
- (37) **Microfilm:** A media to provide photographic records of printed tax data on a reduced scale.
- (38) **Name Control (NC):** In the case of individuals and most trusts, NC is the first four letters of the taxpayer's last name; in the case of corporations, the first four letters of the business name. The name control is used to check the Master File and ensure the Taxpayer Identification Number (TIN) corresponds with the proper organization.
- (39) **National Account Profile (NAP):** A national Taxpayer Identification Number (TIN) file of entities on the Individual Master File (IMF), Business Master File (BMF), and Employee Plans Master File (EPMF). It is used to validate the Taxpayer Identification Number (TIN) or TIN/Name Control for the Integrated Data Retrieval System (IDRS) input command codes (CCs) and for researching with CC INOLE.
- (40) **Parent:** The governing body of a controlled group of corporations or an exempt organization with a group ruling.
- (41) **Pilot Voucher:** An Exempt Organization and Business Master File (BMF) Entity Voucher prepared for processing group exemptions. This information can be accessed via the shared drive only.
- (42) **Pilot Voucher File (PVF):** A file of all pilot vouchers kept in Group Exemption Number (GEN) order. The pilot vouchers are used in establishing new subordinates of a group ruling.
- (43) **Prior Year:** A tax period that precedes the processing year.
- (44) **Re-input:** Reprocessing of a return.
- (45) **Refile:** Sending a return or document back to files to be filed in its original position in the block.
- (46) **Reject:** A return or document not acceptable by the campus computer because of incorrect or incomplete information.
- (47) **Return:** A legal form or written evidence used by the organization to record tax information.
- (48) **Revocation:**
- Tax exempt organizations who fail to file an annual return or notice for three consecutive years will be revoked.
  - Tax exempt organizations may also be revoked due to a review by an agent.
  - A Church-initiated correspondence to revoke the election to be exempt from social security taxes.
- (49) **Subordinate:** Members of a group of exempt organizations controlled by a parent organization.
- (50) **Subsection Code (SS):** A code designating the type of exemption an organization has received.

- (51) **Supplemental Group Ruling Information (SGRI):** A letter submitted to IRS each year by the Parent Organization of a Group Ruling detailing any changes to its subordinates.
- (52) **Tax Module:** The part of an organization's account that reflects tax data for each type of tax and tax period.
- (53) **Tax Period:** The period of time for which a return is filed. The Service uses a six digit code to indicate the end of the tax period for a given return. The first four digits represent the year and the last two digits represent the month.
- (54) **Taxpayer Delinquent Account (TDA):** A tax module where a return was filed, but not fully paid, and is in collection status.
- (55) **Taxpayer Delinquent Investigation (TDI):** A tax account that has a filing requirement for which a return has not been received and is in collection status.
- (56) **Taxpayer Identification Number (TIN):** Either an Employer Identification Number (EIN) or a Social Security Number (SSN).
- (57) **Transaction Code (TC):** A three digit code used to identify transactions being taken and to maintain a history of actions posted to taxpayer accounts on the Master File.
- (58) **Transcript:** A copy of entity and tax data from the Master File concerning a taxpayer's account.
- (59) **Unpostable (UP):** An input transaction that attempted to post to the Master File but could not because of inconsistencies with the posted transactions, filing requirements, or the input data.
- (60) **Unprocessable:** A document that is incomplete, illegible, or otherwise unsatisfactory for input.

3.13.12.1.5  
(01-01-2022)  
**Customer Account Data  
Engine (CADE) 2**

- (1) The Customer Account Data Engine (CADE) 2 Program Office in Headquarters is charged with the primary goal to implement a single, modernized programming solution that provides daily processing of taxpayer accounts.
- (2) The BMF, EO and EPMF campus cycles are:
  - a. Campus Cycle: Thursday – Wednesday
  - b. Master File Processing: Friday – Thursday
  - c. Notice Review: Saturday - second Monday (8+ days)
  - d. Unpostables: New UPCs available Tuesday; closing Tuesday
- (3) BMF, EO and EPMF transaction posting time frames are outlined as follows:
  - Transactions will be viewable using CFOL command codes on Saturday following the weekly Master File processing run on Thursday.
  - Transactions will be viewable as posted transactions using IDRS command codes on Monday following the weekly Master File processing run on Thursday.

**Note:** With the acceleration of the IDRS weekly analysis being performed the weekend directly after the Master File processing on Thursday, transactions will be posted instead of in pending status on Monday.



- (4) Cycle posting dates will reflect a format of YYYYCCDD. YYYY indicates the year. CC indicates the posting cycle. For IMF transactions, the following values for DD are defined:

- 01 = Friday
- 02 = Monday
- 03 = Tuesday
- 04 = Wednesday
- 05 = Thursday

**Note:** BMF, EO and EPMF cycle posting dates on BMFOL will continue to reflect YYYYCC. YYYY indicates the year. CC indicates the posting cycle. BMF cycle posting dates in TXMOD will reflect a format of YYYYCCDD. The DD value will be 08.

3.13.12.1.6  
(01-01-2022)

**Transaction Codes**

- (1) The following is a list of transaction codes (TCs) used by the Entity Control Function:



<b>TC</b>	<b>Description</b>
000	Establish an account
001	Re-sequence an account due to a TIN change (generated transaction)
002	TIN change failed to resequence (generated transaction)
003	Duplicate tax modules are not re-sequenced (general transaction)
004	BMF Partial Merge. This transaction code is shown on IDRS only.
005	Resequenced account for merge.
006	Account Resequenced to Master File location
007	Carrier transaction (generated transaction)
008	IDRS generated—Complete Merge
011	EIN change
012	Reopen entity account
013	Name change
014	Address change
016	Change entity codes
020	Closes account
022	Deletes EO section
023	Reverse the election to lobby
024	Election to lobby
026	Delete changed TIN (generated transaction)
030	Update location codes out-of-campus account
052	Reversal of TC 053
053	Form 1128 Accepted
059	Form 1128 Rejected
070	Church exemption from social security taxes
071	Revocation of church exemption from social security taxes
072	Deletion to TC 070 input in error
073	Reverses TC 071 input in error by the service
080	Denies election of exemption from FICA
081	Reverses TC 080
150	Return Filed
474	Delay TDI or Accelerate TDI Issuance

TC	Description
475	Reverses TC 474 and allows TDI Issuance
590	Not liable this period
591	No longer liable
592	Reverses 59X
593	Unable to locate
594	Return previously filed
599	Return secured

3.13.12.1.7  
(04-14-2023)

**IDRS Letters and CP  
Notices**

- (1) The following is a list of letters that can be used:

Letter	Use	Title
45C	SS – 4	EIN Application Requested or Received (Form SS–4)
86C	General	Referring Taxpayer Inquiry or Forms to Another Office
104C	Correspondence	Address Change Acknowledged
112C	Payment or over-payment	Credit Applied; No Record of Return Filed
131C	General	Information Insufficient or Incomplete for Processing Inquiry
135C	General	Power of Attorney Needed to Furnish Information
139C	General	EIN Assigned in Error
145C	Delinquent returns	Insufficient Response or No Record
252C	General	Name of Business Shown on Return Needs Verification
282C	TDIs	Return Not Received, Copy Requested or Received
309C	General	Forms, Publications, or Schedules to Taxpayer
696C	General	Return Requested for Discontinued Business
1169C	EO Correspondence	Exempt Organization Group Ruling
1224C	EO Correspondence	Exempt Organization's Answers to Questions
1921C	Form 8274	Employment Code C, Form 941, 944, 945
2191C	Form SS-16	Certificate of Election Coverage
2233C	EO Correspondence	Accounting Period Change Denied
2314C	Form 1128	Application to Adopt, Change or Retain a Tax Year, Incomplete for processing
2694C	EO Correspondence	Request for Missing Information
2695C	EO Correspondence	Request for Missing Information
2696C	EO Correspondence	Miscellaneous Forms Request for Missing Information

Letter	Use	Title
2697C	EO Correspondence	Form 990-PF Request for Missing Information
2698C	EO Correspondence	Form 990 Request for Missing Information
2699C	EO Correspondence	Form 990-EZ Request for Missing Information
3064C	General	Special letter
3710C	527 Pol. Org.	Request for Completed Form 8871
3877C	EO Correspondence	No Application for Tax-Exempt Status
3905C	Form 5768	Form 5768
3909C	EO Correspondence	Application for Tax-Exempt Status Not Approved
3910C	Correspondence/Returns	Information Regarding Assignment of EIN for Exempt Organizations
3997C	EO Correspondence	Form 940 Filing Requirements for Exempt Organizations
4588C	EO Miscellaneous	Request for miscellaneous information.

**Note:** Use the hard-coded paragraph “If you have any questions, please call us toll free at 877-829-5500” in lieu of the “fill-in” paragraph in all letters listed above, except the 135C and 139C.

**Note:** If correspondence was issued within the last 60 days for the same issue, don’t issue another letter.

**Note:** Specific letters are mentioned throughout the IRM and should be used when specified. It may be appropriate to use any letter when the IRM does not specify the issue and as long as the content addresses the specific issue.

(2) The following is a list of CP notices that are sent to the taxpayer:

CP	Title
120	Confirmation of Tax Exempt Status Required
120A	Notice of Revocation of Tax Exempt Status (Status 97)
120B	Notice to a subordinate they are no longer recognized as tax-exempt in a group ruling
120C	Notice that an organization hasn't filed a required annual return or notice for two consecutive years
169	Missing Return
209	EIN Assigned in Error
249A	Form 8871 Not Filed
249B	Form 8872 Filed Late
249C	Form 8872 Not Filed
259A	Request for Information About Your Form 990/990-EZ/ 990-N Return
259B	Request for Information About Your Form 990-PF Return
259C	Request for Information About Your Form 990-PF Return (Presumptive Form 990-PF)
259D	Request for Information About Your Form 990-T Notice
259F	Request for Information About Your Form 5227
259G	Request for Information About Your Form 1120-POL
259H	Request for Information About Your Form 990 - Section 527 Organization
575	Notice of New Employer Identification Number Assigned from Form SS-4 or TeleFax
577	Notice of New Employer Identification Number Assigned from a Change in Organization Requiring a New EIN

(3) The following list of CP notices are for internal use:

CP	Title
172	Follow-up action on an entity established as an exempt organization
192	Employment Code Exempts FICA/FUTA Filing
200	TIN Change - Inactive Account
201	TIN Change - Name Control Mismatch
202	TIN Change - Filing Requirement Mismatch

3.13.12.1.8  
(01-01-2022)  
**National Service Level  
Agreements (SLAs)**

- (1) National Service Level Agreements (SLAs) were established between Operating Divisions. IRM 3.13.12 contains specifics regarding SLAs that pertain to activities performed by use of this IRM. For additional information, refer to the Taxpayer Bill of Rights available at <https://www.taxpayeradvocate.irs.gov/get-help/taxpayer-rights/>.

3.13.12.1.8.1  
(10-25-2022)  
**Taxpayer Advocate  
Service (TAS)**

- (1) The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate. Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems they haven't been able to resolve on their own, or when they need assistance to address an IRS system, process, or procedure that is not functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- (2) TAS uses Form 12412, Operations Assistance Request (OAR), to start the OAR process of referring a case to the Wage and Investment (W&I) Division, to affect the resolution of the taxpayer's problem. For more information, refer to IRM 13.1.19, TAS Operations Assistance Request (OAR) Process.
- (3) Refer taxpayers to TAS when the contact meets TAS criteria or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day.
- (4) The definition of **same day resolution** is within 24 hours. The following two situations meet the definition of **same day resolution**:
  - The issue can be resolved within 24 hours.
  - IRS takes steps within 24 hours to resolve the taxpayer's issue.
- (5) When making a TAS referral, use Form 911, and forward to TAS following your local procedures.
- (6) See IRM 13.1.7, Taxpayer Advocate Service (TAS) Criteria, for more information.

3.13.12.1.8.2  
(10-25-2022)

**Taxpayer Advocate  
Service Level Agreement**

- (1) The National Taxpayer Advocate reached agreements with the Commissioners of the Wage and Investment (W&I) Division, Small Business/Self Employed (SB/SE) Division, Tax Exempt Government Entities (TE/GE) Division, Criminal Investigation (CI), Appeals, and Large Business and International (LB&I) that outline the procedures and responsibilities for processing Taxpayer Advocate Service (TAS) casework when either the statutory or delegated authority to complete case transactions rests outside of TAS. These agreements are known as Service Level Agreements (SLAs).
- (2) The SLAs are found at *Service Level Agreements (sharepoint.com)*.

3.13.12.1.8.3  
(10-25-2022)

**Operations Assistance  
Requests (OAR)**

- (1) The Taxpayer Advocate Service uses the Operation Assistance Request (OAR) process to refer cases when TAS lacks either the statutory or delegated authority to resolve a taxpayer's problem. The TAS uses Form 12412, Operation Assistance Request to initiate the OAR process.
- (2) In cases requiring an OAR, TAS completes Form 12412 and forwards the case to the Operating Division Liaison via Form 3210, Document Transmittal. The Operating Division Liaison reviews the case, assigns it to the appropriate area, and monitors the case through its conclusion.
- (3) When TAS requests expedite processing, Operating Division or Functions Liaisons acknowledge receipt via Form 3210, secure messaging e-mail, fax, or by phone within one workday of receipt of the OAR.
- (4) For OARS not requiring expedite processing, the Operation Division or Functions Liaisons acknowledge receipt via Form 3210, secure messaging e-mail, fax, or by phone within three workdays of receipt of the OAR.
- (5) Make every effort to expedite completion of OAR cases. Form 12412 indicates timeframes for OAR Case completion.
  - a. Manager/employee: Work with the Taxpayer Advocate contact listed on Form 12412 to arrive at agreed upon timeframes for follow-up based on the facts and circumstances of the particular case.
  - b. Employee: Immediately notify your manager if you can't resolve a taxpayer's case by the requested timeframe or by a negotiated extension date.
  - c. Manager/employee: Discuss your findings and recommendation for final case disposition with the appropriate TAS contact. The TAS contact communicates the final case decision to the taxpayer. However, you and your manager can also tell the taxpayer of the decision.
  - d. Upon case resolution, the TE/GE employee assigned the OAR completes section VI of Form 12412 and returns it to the TAS Case Advocate assigned the case. Return the Form 12412 within three (3) workdays of completing all actions and posting all transactions.
  - e. If an agreement can't be made with the TAS upon the resolution to the taxpayer's problem, the TAS employee elevates this disagreement to their manager who discusses it with the appropriate Operating Division manager. The employees manager will also elevate any disagreement to their manager.
- (6) For more detailed information, please refer to: IRM 13.1.19, TAS Operations Assistance Request (OAR) Process or the TAS SLA website at <https://irssource.web.irs.gov/TAS/SitePages/SLA.aspx>.

3.13.12.2  
(07-05-2023)

#### Processing Procedures

- (1) Observe the following basic procedures for all work processed in Entity Control:
  - a. Make all edit markings and Entity Control action trails in purple pen or pencil. This color indicates EO Entity has reviewed the document.
  - b. Make corrections to the name, address, subsection, or TIN fields directly on the return, if needed. In addition, edit all transaction codes, letters sent, and employee stamp on the left side of the return. If the return is a 990 series return, edit the subsection and foundation code with information from IDRS on the left side of the return.
  - c. Perfect the entity for processing: underline the name control per exception, correct the name (as needed per research of the Secretary of State's office via the internet, or if proper documentation is attached), EIN, name control, address, Fiscal Year Month (FYM) or tax period, Filing Requirement Codes (FRCs) etc. if needed, and annotate your actions in the lower left corner of the document.
  - d. **Always** research CC INOLE on an EIN before taking any action.
- (2) If an organization sends in an original document (not a return) with their correspondence, that is not needed to resolve their issue and/or there are no instructions to route the document to another area, prepare a Form 14219, Return of Documentation to the Taxpayer, and return the item to the organization.
- (3) Check all returns to determine if the return has already posted. If an organization sends in a copy of an original return (paper or electronically filed), the first page of the return or a copy of a return with their correspondence, destroy per local procedures.

**Exception:** If an original or copy of an original return is received and no return is posted for that year, send the return for processing **only** if it's for a year the filer isn't required to electronically submit their return (current and 2 prior years).

- (4) When a Form 990 group return is submitted and box H(b) is marked "No", a list of subordinates should be attached. Entity will input a TC 590 closing code (cc) 014 for all subordinates on the list. Once the TC 590 cc 014s are complete, annotate 590 cc 014 on the left side of the return.
- (5) Each campus should attempt to route IRS "C" (Correspondex) letters based on letter number or specific IDRS number range designated by the campus for specific functional areas. Refer to IRM 3.10.72-2 , Correspondex C Letters - Routing Guide.

3.13.12.2.1  
(01-01-2022)

#### Section 3705(a), IRS Employee Contacts

- (1) Background of Section 3705(a):
  - a. The Restructuring and Reform Act of 1998, Section 3705(a) provides identification requirements for all IRS employees working tax-related matters.
  - b. IRS employees are required to give their name and unique identification number during taxpayer telephone, face-to-face and manually generated correspondence. In addition a telephone number the taxpayer may call is required on all taxpayer correspondence.
  - c. This will provide taxpayers with enough information to identify an IRS employee who has previously assisted with tax-related matters.



- (2) All IRS employees, in the field, national, and regional office, who communicate by telephone, correspondence, or face-to-face with taxpayers or their personal representatives on tax-related matters are required to provide (at a minimum) the following information:
- **Telephone Contact** - title (e.g., Mr., Mrs., Ms., Miss), last name and badge identification (ID card) number
  - **Face-to-Face** - title (e.g., Mr., Mrs., Ms., Miss), last name and badge identification (ID card) number provided at the appropriate time during the conversation
  - **Correspondence** - title (e.g., Mr., Mrs., Ms., Miss); last name; IDRS, letter system or badge identification (ID card) number; and telephone number where the taxpayer's question can be answered
- Note:** IDRS numbers are automatically generated when sending CRX letters and are considered identification numbers.
- (3) Customer Service Representative employees may also provide their location for identification purposes. E-mail and faxes to taxpayers on general tax information, are considered manually-generated correspondence and must include the required information.
- (4) Manually generated correspondence, whether sent directly to the taxpayer or to the taxpayer's personal representative, must contain the required information.
- (5) When a taxpayer insists on speaking with a specific employee who previously handled their inquiry or request, or complains about the level of service previously provided, every attempt should be made to resolve the taxpayer's inquiry. If the issue cannot be resolved, the employee should refer the inquiry using established procedures to their manager.
- (6) Correspondence letters will require a specific employee name and telephone number only if the employee initiating the correspondence is in the best position to respond to any questions the taxpayer may have about the correspondence, or the employee is asking the taxpayer to provide additional case-related information. Otherwise, if the taxpayer doesn't need to contact a specific employee, the correspondence needs only an IRS telephone number and standard signature.
- (7) It isn't necessary to repeat the ID card (badge) number on a subsequent contact, when the nature of an employee's work involves multiple contacts with the same taxpayer and the employee has given the taxpayer (either by telephone or in-person) their ID card (badge) number on the first contact.
- (8) **Before disclosing any tax information in all types of taxpayer contact, you must be sure you are speaking with an authorized representative of the organization.**

**Note:** Refer to IRM 11.3.2.4.6, Tax Exempt Organizations, and IRM 11.3.9, Exempt Organizations, for Disclosure of Official Information guidelines. Before leaving messages on an answering machine, review IRM 11.3.2.7.1, Leaving Information on Answering Machines/Voice Mail. Fax procedures contained in IRM 11.3.1.10, Facsimile (FAX), Electronic Facsimile (E-FAX), and IRS Internal Enterprise Electronic Facsimile (EEFAX) Transmission of Tax Information, must be reviewed prior to faxing confidential information.

3.13.12.2.2  
(01-01-2022)

#### Quality Analysis

- (1) The EO Entity Manager, Lead or tax examiner should monitor recurring problems in processing areas. The EO Entity manager will initiate a Quality Analysis (appraisal) when appropriate. The Ogden TE/GE Processing Center Program Staff, at Mail Stop 1110, must be notified of all quality analysis reviews. The Quality Analysis should include examples and figures showing volumes and percentages. Any information will be forwarded to the Chief, Planning and Analysis Staff.
- (2) The Quality Review tax examiner is assigned the following:
  - To review the area responsible for the error.
  - To respond to their manager within five (5) workdays with recommended corrective action.
  - To follow-up on significant problems to assure corrective actions were taken.
- (3) All EO entity work needs to be submitted timely to Quality Review to ensure the Quality Review tax examiner can review the work in a timely manner. See IRM 21.3.8, Tax Exempt/Government Entities (TE/GE) Customer Account Services (CAS) Telephone Operations, for further information.
- (4) Any instructions written at the service center (e.g., desk procedures) to clarify IRM 3.13.12, EO Account Numbers, may be implemented once the instructions are approved by the Document Perfection Section Chief and the Ogden TE/GE Processing Center Program Staff at Mail Stop 1110.

3.13.12.3  
(01-01-2022)

#### Employer Identification Numbers (EIN)

- (1) For instructions on how to assign an Employer Identification Number (EIN), see IRM 21.7.13, Assigning Employer Identification Numbers.

3.13.12.4  
(01-01-2022)

#### Research Tools

- (1) Before assigning a new EIN, always perform research to determine if there's an EIN already assigned to any organization.
- (2) Use the following systems for research:
  - Taxpayer Information File (TIF) CC ENMOD
  - National file of name and address CC NAMEE/NAMEB
  - BMF with CCs INOLE, BMFOL, or BRTVU
  - Tax modules that are on IDRS with CC TXMOD
  - Everything available on IDRS with CC SUMRY
  - BMF Retention Register on microfilm
  - Alpha and Numeric ZTIF Register for NMF EINs on microfiche

3.13.12.4.1  
(01-01-2022)

#### Group Exemption Roster - CC EOGEN

- (1) This listing is numeric by GEN (Group Exemption Number) showing EIN and parent name. It also has an alpha listing with the following information:
  - Name of organization—first 50 characters as it appears on BMF
  - **GEN** - group exemption number
  - **EIN** - employer identification number
  - **SS** - subsection number
  - **TF** - type of foundation
  - **CL** - classification code
  - **RD** - ruling date
  - **ST** - status code

- **FF** - file folder number
  - **AC** - activity code
  - **DT** - deductibility code and year
  - City and state where parent organization is located
- (2) The data for this listing is extracted twice a year and is printed as Document 6023.
- (3) CC EOGEN can do the following:
- Find a parent organization using CC EOGENP.
  - Provide a list of subordinate organizations for the parent organization by using CC EOGENS. This list is limited to 30 pages with 20 subordinates per page.
  - Narrow the search for subordinates using the state abbreviation or “.” for foreign addresses. This is especially helpful when researching large organizations such as Little League, Lions Club International, etc.
- (4) CC EOGEN **cannot** do the following:
- Research by EIN. If you know the EIN but not the GEN, research CC BMFOL, definer O to get the GEN, then research CC EOGEN.
  - Provide full entity information for subordinates. It provides a starting point for further research.
- (5) CC EOGEN with definer code “P” will generate CC BMFOLO for the parent’s EIN.
- (6) CC EOGEN with definer code “S” will generate a list of the subordinates for the GEN.
- (7) For further information on the proper format and use of CC EOGEN, see IRM 2.3, IDRS Terminal Responses.

3.13.12.4.2  
(01-01-2022)  
**Name Search Facility**

- (1) The Name Search Facility (NSF) provides national centralized name search capability which replaces the Key Index File (KIF).
- (2) Access NSF using CC NAMES for Social Security Number (SSN) searches and CC NAMEE/NAMEB for EIN searches. CCs NAMES and NAMEB allow you to query a national file of name and address data at the Martinsburg Computing Center (MCC), using a taxpayer name and address to locate a SSN or EIN.
- (3) The NSF will match the data you entered to data in the files and will return the SSNs or EINs of possible matches. The more information you enter, the narrower the search and the better the possibility for a match.
- (4) You can query using either the primary filer name or a secondary filer name. For an EIN, both primary name and “Doing-Business-As” (DBA) name will be searched. The NAMES and NAMEE CCs will adjust for some spelling errors and will perform phonetic matches.
- (5) Two CCs, FINDS (SSN/IRSN/ITIN) and FINDE (EIN), were added to the NSF. They use the input TIN to access the NSF data base, and return the name(s), address(es), etc. for the TIN. Users are required to enter the CC name, the definer, and the 9-digit TIN (with no hyphens), including leading zeros, if present. The domestic search requires the definer D and the international

search requires the definer I. If users don't enter a definer, they receive an error message. The FINDS/FINDE results are sorted first by primary TIN (when the search was for the secondary TIN), then by activity cycle, and then by name. The activity cycle is displayed in descending order, with the most current data first.

- (6) Refer to IRM 2.3, IDRS Terminal Responses, for more information.

3.13.12.4.3  
(01-01-2022)  
**TE/GE (EP/EO)  
Determination System  
(EDS)**

- (1) EDS is an automation of certain segments of the EP/EO determination process. EDS is a menu-driven system. The Inventory Control Subsystem and the Letter Generation Subsystem are the two segments EO Entity will use.
- (2) The Inventory Control System replaces EACS as the system that tracks cases from opening to closing; however, EACS, which is renamed Master File Pipeline System continues to function in the campuses as the link between EDS and Master File.
- (3) The Letter Generation Subsystem provides a means to automatically generate requests for additional information and the viewing and generation of closing letters.
- (4) Use the EDS Instructional Job Aid to operate the menu-driven system.
- (5) The following is a list of the **Open Status Codes**:

Open Status Codes	Definition
31	In Review
32	Returned on Review Memo
33	Returned to Quality
35	30 Day Letter Sent
37	Group Suspense
38	Review Suspense
39	Technical Screening Suspense
40	Proposed Adverse Determination
41	Proposed Technical Advice
50	New Case Establishment
51	Centralized Unassigned Inventory
52	Case Assignment (Non Merit)
53	Manager Returned to Specialist
54	Transferred to Appeals (Suspense)
55	Waiting for Closing Approval
56	Technical Advice Transfer (Suspense)
57	TEDS Awaiting Closure on EDS
58	Case in Transit
60	Open in Technical Screening
61	Unassigned in Inventory (Merit)
62	Assigned in Technical Screening
63	New Case Establishment (TEDS) (Cases established on EDS have an initial status of 50.)
64	Manager Returned to Specialist (Technical Screening)
71	Unassigned Inventory
72	Case Assignment
73	Manager Returned to Specialist
74	Awaiting Managerial Review (TEDS)
75	Group Inventory
91	Unassigned Inventory (Washington)

(6) The following is a list of **Closed Status Codes**:

<b>Closed Status Codes</b>	<b>Definition</b>
01	Approved
02	Disapproved
03	Returned Incomplete
04	Withdrawn by T/P
06	Merit closure No Contact
08	Refusal to Rule
09	Merit Closure Intermediate Processing
11	Failure to Establish
12	Other
30	Correction Disposal

(7) The following is a list of **Type of Request Codes**:

<b>Type of Request Codes</b>	<b>Definition</b>
I	Initial
A	Amendment
T	Termination of Exempt Status ( Termination cases are no longer established by Determinations)
P	Termination of Private foundation Status
F	Private Foundation Follow-up
R	Returned, Post Review

3.13.12.5  
(01-01-2022)  
**EO/BMF**

(1) There are two parts to the EO/BMF entity module, the BMF portion and the EO section.

3.13.12.5.1  
(01-01-2022)  
**EO/BMF Entity Module**

(1) The BMF portion of the EO/BMF entity module is created by a TC 000, Doc. Code 04, 63, 80 or 81. It may contain the following information:

- Employer identification number (EIN)
- Name control (N/C) or check digit (C/D)
- Establishment date
- Employment code (EC)
- Fiscal year/month (FYM)
- Filing requirement code (FRC)
- Primary location code (PLC)

and the following entity identifying data:

- Primary name
- Primary continuation name
- Sort name
- Care of name
- Location address
- Foreign address
- Mailing address

(2) The **BMF entity module**, with its fields defined below, can be changed by IDRS CCs ENREQ/BNCHG or EOREQ/EOCHG.

- a. **EIN** is the employer identification number assigned to each organization by Entity Control. To change the number, use a TC 011, Document Code 63 with CC ENREQ/BRCHG. TC 011 changes are restricted for input by campuses only.
- b. **N/C** is created by the coding of the organization's name. To change the name control, use CC ENREQ/BNCHG with Document Code 63, TC 013.
- c. **C/D** is the check digit created from the EIN when the account posts to the BMF. It cannot be changed.
- d. **Establishment Date** is the date the organization started business or was established on the BMF. To create it, use TC 000. It cannot be changed.
- e. **EC** is the employment code that identifies the type of employment taxes or FUTA (Form 940) taxes an organization is required to pay. To change this code, use Document Code 63 or 80.
- f. **FYM** is the fiscal year/month created either when the organization is established on the BMF or when the first return is posted. To change it, use Document Code 63 or 80.
- g. **FRC** the filing requirement code, for exempt organizations can be for Forms 941/944, 720, 940, 1120, or 1041 under certain conditions. These FRCs can be changed with a Document Code 63 or 80. The positive EO FRCs for Forms 990, 990-EZ, 990-T, 990-PF and 5227 can only be changed with CC EOREQ/EOCHG, Document Code 80. Delete all non-EO FRCs with CC ENREQ/BNCHG Document Code 63.

**Exception:** Delete the FRC for Form 1041-A with a TC 591 cc 020 on the last 1041-A filed.

- h. The **Universal Location Code (ULC)** is the area office codes based on the address where the organization receives mail. The BOD code will be used for routing work to the appropriate campus. All accounts with a TE BOD code will be processed by the Ogden Submission Processing Center.
- i. **SSN** Sole proprietor cross reference SSN - The business owner's SSN added to identify ownership of a BMF account. The SSN must be removed if the account becomes tax exempt.

(3) The **Entity Identifying Data** are defined below:

- a. Create the primary name and primary continuation name by inputting a TC 000. To change them, use a TC 013, Document Code 63, CCs ENREQ/BNCHG.
- b. Sort name is used to identify the organization another way. For organizations with a group ruling, the sort name identifies the chapter, union, etc.



- c. Care of name is used if the taxpayer identifies a person or a place, e.g., Merchants Bank-Trust, for mailing.
- d. Location street address is the street address where the organization is located and is different from the mailing address. It can be a foreign address.
- e. Location City/State/ZIP is the city or country where the organization is located.
- f. Foreign address is used when the organization has a foreign mailing address.
- g. Mailing street address is where IRS will mail notices and returns. If it's a foreign address, it will contain the city of the foreign country and ZIP code.
- h. Mailing City/State/ZIP is where IRS will mail notices and returns. If it's a foreign address, the city will be the country, and the state and ZIP will be a blank.

3.13.12.5.2  
(01-01-2022)

**EO Section of the BMF**

- (1) Create the EO section of the EO/BMF entity module for a new entity with a TC 000, Document Code 80 or 81. If the entity is already on the BMF, create the EO section with a TC 016, Document Code 80 or 81.
- (2) The EO section information can only be changed by CC EOREQ/EOCHG. The EO section contains the following information:
  - a. **Subsection (SS)**, current and prior, identifies the IRC under which the organization is exempt. It also determines the type of return the organization will file. The current SS will be shown on CCs INOLE, ENMOD, and BMFOLO. The SS is assigned when the organization's request for exemption is approved. To make a change to the subsection, it must be approved by Cincinnati and updated from EDS or a determination letter. New applications processed as of July 2007 will also be updated in TEDS. If an erroneous subsection is on the BMF with Status 06, 10, 11, 40 or 41, delete it with the input of a TC 022.
  - b. **Classification code (CL)** identifies the type of organization or the purpose for which it was established. One to two different codes may be present. The CL will be shown on CCs INOLE, ENMOD, and BMFOLO. The CL can be changed only by Cincinnati.
  - c. **Status code and date (ST)**, current and multiple prior status, indicates the status of the organization. The code identifies whether or not the organization was granted an exemption or, it was applied for, revoked or terminated. The ST is normally established by Cincinnati when the exemption is granted, denied or revoked. The campus can establish ST Codes 06, 07, 10, 11, 12, 20, 36, 40 and members of a group ruling. Also, the campus can re-establish Status 01 when it is on EDS or from a determination letter, or re-establish a good status after ST 20, 21, 26, 28, or 29 has posted. The current ST is shown with the status date (YYYYMM) on CCs BMFOLO, INOLE, and ENMOD.
  - d. **Affiliation code (AF)** indicates an individual ruling or group ruling. The AF is shown on CCs INOLE, ENMOD, and BMFOLO. It normally isn't changed unless the entity is changing from a group to an individual ruling, or from an individual to a group ruling.
  - e. **Ruling date (RD)** is the date the exemption was granted or ruled on. The RD is shown on CCs ENMOD, INOLE, and BMFOLO. This date is normally not changed except by Cincinnati.



- f. **Group exemption number (NG)**, or GEN, is the number Cincinnati assigns when the organization is granted a group exemption. This number is used to identify all the organizations (subordinates) that are a part of the group. The GEN is shown on CCs INOLE, ENMOD, and BMFOLO. It can be changed, but CAUTION must be used.
- g. **Foundation code (TF)** is the code given to all organizations exempt under IRC 501(c)(3). This code identifies the type of foundation. The TF is shown on CCs INOLE, ENMOD, and BMFOLO. To change the foundation code requires approval from Cincinnati and the campus can only update it from TEDS, EDS or a determination letter or Form 990-PF. If a foundation code is on the BMF but the subsection changed to one that doesn't require a foundation code, delete it with the input of a 99.
- h. **Deductibility code and year (DY)** indicates whether contributions to the organization are deductible from income. The code is determined by Cincinnati when the exemption is granted and can be changed only by Cincinnati.
- i. **Activity code (AC)** identifies the principal activity of the organization. This code is normally changed by Cincinnati.

**Note:** Activity codes may still be present on accounts, however, they are no longer assigned or actively used.

- j. **National Taxonomy of Exempt Entities Code (NTEE)** is a system of classifying the purposes, activities and fields of interest of non-profit organizations. The "NTEE system" will eventually replace the present activity codes. This code is assigned by and normally changed by Cincinnati.
- k. **North American Industry Classification System (NAICS) code** is a 6-digit Principal Business Activity (PBA) code. The EO activity code is actually the PBA code. Both the activity code and the NAICS code will be maintained on the EO section.
- l. **Type of organization (TO)** indicates whether the organization is a trust, corporation or an unincorporated association. The TO is shown on CCs INOLE, ENMOD, and BMFOLO. The code is assigned by Cincinnati when the exemption is granted and is normally changed by them. The campus will input the TO on all group rulings.
- m. **File folder number (FF)** identifies the administrative case file folder number located in Cincinnati. The FFN is assigned by Cincinnati when an application for exemption is received. The FFN will normally not be changed. The FFN is shown on CC BMFOLO.
- n. **Pension plan (PP)** indicates whether or not the organization has a pension plan. It is assigned by Cincinnati when the exemption is granted and is normally changed by Cincinnati.
- o. **TEP case code (TEP)** is input if the organization is identified as a "large case."
- p. **Posting delay code (PDC)** may be input (Range 1-6) with the transaction to be "cycled" when multiple transactions are required to adjust an account.

**Example:** In a complex adjustment with seven transactions where two must post three cycles after the first four, and the last must post a cycle after the second two, input a Posting Delay Code 3 with the fifth and sixth transactions, and a Posting Delay Code 4 with the last transaction. Posting of these transactions to the MCC MF will be deferred until the indicated number of posting cycles has passed. All transactions will be input at the

same IDRS terminal session. Cycled transactions will be held on the MCC re-sequencing transaction files until the required staggered sequence among the transactions. Posting delay capability is provided for the following IDRS entity change command codes: CCs ENREQ/BNCHG and EOREQ/EOCHG (Doc. Codes 50, 53, 63, 80 and 81).

3.13.12.6  
(01-01-2022)  
**Entity Changes for an  
EO/BMF Account**

- (1) Knowledge of several command codes is necessary for the successful input of entity information for Exempt Organizations. IRM 3.13.12.6 supplements IRM 2.4, IDRS Terminal Input. The input of an EO Entity change requires the following succession of CCs: ENMOD and then EOREQ/EOCHG.
  - CC ENMOD shows whether the account is on the BTIF and stores data required by CC EOREQ.
  - CC EOREQ creates an input screen format for CC EOCHG. If the account isn't on the BTIF, CC EOREQ will also build a "dummy" account and an entity case control on the TIF.
  - CC EOCHG puts a "pending" record of the transaction on the TIF and creates a record used for quality review, for production of a transaction for the Business Master File and for printing an IDRS Transaction Record (Form 5147).
- (2) Any CC EOCHG input will create an EO section on the BMF.

**Note:** Be sure it is an EO account before using CC EOCHG.

- (3) When inputting EOCHG, be alert to the unpostables that will be created when the BMF attempts to update or create an EO section. See IRM 3.12.278, Exempt Organization Unpostable Resolution, for EO Unpostable Resolution procedures. The following unpostable codes are applicable to EO entity changes with a brief description:
  - **302** - Input TC 000 and the EIN is already on the BMF.
  - **303** - Name control input doesn't match name control on BMF.
  - **307** - Fiscal month discrepancy with the BMF.
  - **308** - Filing requirement discrepancy.
  - **313** - No related transaction.
  - **329** - Inconsistent filing requirements.
  - **341** - Invalid TIN.
  - **343** - Input attempts to update FRC and it doesn't agree with employment code or vice versa.
  - **358** - Incompatible EO status with BMF status.
  - **359** - The input of TC 020 or TC 022 and the module contains conditions that indicate the account should not be deleted.
  - **366** - The input transaction attempts to establish a tax module and there is no Exempt Organization subsection present.
  - **369** - The input of Employment Code W attempting to update the BMF and it doesn't agree with the EO section on the BMF.
  - **370** - The new GEN doesn't match a GEN on the GEN file, or the parent has not been established on the GEN file or is already on the GEN file.
  - **371** - The From GEN doesn't match the GEN on the BMF.

- **372** - The BMF and the GEN file are not in agreement. This generates when a TC 590 cc 014 attempts to create a TC 590 for all the subordinates on the GEN file and a discrepancy exists.
- **373** - The input is ST 28 or 29 and the GEN doesn't match the GEN on the BMF, or the BMF Affiliation Code isn't 6, 7, 8, or 9, or the BMF Entity Status isn't 01, 02, 20 or 21.
- **379** - TC 012 and TC 013 attempts to post and the BMF doesn't have an EO section.
- **382** - EO TC containing a subsection and no EO section on BMF.
- **429** - FRC input doesn't agree with FRC on the BMF.
- **495** - A transaction attempting to update the first primary name line and the sum of the character count doesn't equal the actual length of the primary name line.

3.13.12.6.1  
(01-01-2022)

**EO Transaction Codes**

(1) EO Transaction Codes include TC 000, 012, 013, 014, 016, 020, and 022.

(2) The following format fields appear on the CC EOCHG screen:

- EOCHG
- EIN
- NM-CTRL - Name Control
- DOC-CD - Document Code
- TC - Transaction Code
- TRANS-DEFINER-CD - Transaction Definer Code
- PSTNG-DLAY-CD - Posting Delay Code
- NEW-NAME-CTRL - New Name Control
- PRIMARY-NAME - Primary Name - two available lines
- SORT-NAME - Sort Name or DBA
- CARE-OF-NAME - Care-of Name
- FOREIGN-STREET - Foreign street address
- MAIL-STREET-OR FOREIGN-CITY/ZIP- Mailing Street Address or Foreign Country
- MAIL-CITY/STATE/ZIP-OR-FOREIGN COUNTRY - Mailing City, State, Zip or Foreign Country
- LOCATION-STREET-ADDRESS - Location Street Address
- LOCATION-CITY/STATE/ZIP - Location City, State, Zip
- SUBSECT-CD - Subsection Code
- FNDTION-CD - Foundation Code
- CLSF-CD - Classification Code
- AFFLTIN-CD - Affiliation Code
- TYPE-ORG - Type of Organization
- HOSP-IND - Hospital Indicator Code
- STS-CD/DT - Status Code/Year/Month
- RULNG-DT - Ruling Date
- ACTY-CD - Activity Code
- CONTRIB-DED-CD/YR - Contribution Deductibility Code Year
- FRM-GRP-EXEMP-NUM - From Group Exemption Number
- NEW-GRP-EXEMP-NUM - New Group Exemption Number
- FFN- File Folder Number
- 944-BYP- 944 Bypass Indicator
- PENSION-PLN-CD - Pension Plan Code
- ADVNC-RULNG-DT - Advance Ruling Date
- TEP-CASE-CD - TEP Case Code
- EMPLMNT-CD - Employment Code

- FYM - Fiscal Year Month
- NTEE - National Taxonomy of Exempt Entities Code
- NAICS-CD - North American Industry Classification System Code
- F944-YR/IND- Form 944 Year Indicator
- REGIS-DT
- ORGANIZE-DT
- FILING-REQUIREMENTS - Filing Requirements
- REMARKS - Remarks

- (3) The information for some of the fields will be taken from the pilot voucher, EDS, correspondence or the returns.
- (4) The following tables show a quick reference to the valid fields with Document and Transaction Codes.

DOCUMENT CODE 80 VALID FIELDS					
TITLE	TC 000	TC 012	TC 013	TC 014	TC 016
Name Control	X	X	X	X	X
EIN	X	X	X	X	X
Transaction Code	X	X	X	X	X
Employment Code	X				X
Fiscal Year Month	X	X			X
From GEN					X
Filing Requirement	X	X			X
Definer Code		X			X
Subsection Code	X	X			X
Classification Code	X	X			X
Status Code/Date	X	X			X
Affiliation Code	X				X
Ruling Date	X				X
New GEN	X				X
Type of Foundation	X	X			X
Deductibility Code/Year	X				X
Activity Code	X				X

TITLE	TC 000	TC 012	TC 013	TC 014	TC 016
Type of Organization	X				X
District of Location	X			X	X
File Folder Number	X				X
Pension Plan	X				X
Advance Ruling Date					X
Cumulative List Indicator					X
Large Case Code					X
Organization Name	X		X		
New Name Control	X		X		
Sort Name	X		X	X	X
Care of Name	X		X	X	X
Foreign Street Address	X		X	X	X
Mailing Street or Foreign City/ZIP	X		X	X	
Mailing City/State/ZIP or Foreign Country	X		X	X	
Location Street Address	X		X	X	X
Location City/State/ZIP	X		X	X	X
National Taxonomy of Exempt Entities	X				X
Remarks	X	X	X	X	X

DOCUMENT CODE 81 VALID FIELDS

<b>TITLE</b>	<b>TC 016</b>
Name Control	X
EIN	X
Transaction Code	X
Employment Code	
Fiscal Year Month	X
From GEN	X
Filing Requirement	X
Definer Code	X
Subsection Code	X
Classification Code	X
Status Code/Date	X
Affiliation Code	X
Ruling Date	X
New GEN	
Type of Foundation	X
Deductibility Code/Year	X
Activity Code	X
Type of Organization	X
District of Location	
File Folder Number	X
Pension Plan	X
Advance Ruling Date	
Cumulative List Indicator	
Large Case Code	
Organization Name	
New Name Control	
Sort Name	
Care of Name	
Foreign Street Address	
Mailing Street or Foreign City/ZIP	
Mailing City/State/ZIP or Foreign Country	
Location Street Address	
Location City/State/ZIP	

TITLE	TC 016
National Taxonomy of Exempt Entities	X
Remarks	X

3.13.12.6.2  
(01-01-2022)  
**TC 000**

- (1) **Transaction Code 000** establishes an account on the BMF.
- (2) Before establishing an account, research CCs NAMEE and NAMEB for an EIN that may have been removed from Master File. If able to locate an EIN, input TC 000 to re-establish the account with the current name, address and filing requirements..
- (3) CC ENREQ is used to request a CC BNCHG format for input of TC 000. It must be preceded by CC ENMOD. See IRM 3.13.2.7.3.2, CC ENREQ/BNCHG for additional information.
- (4) The following fields must be input:
  - TC 000
  - Name Control
  - Primary Name
  - Address, city, state and ZIP code
  - Filing Requirements (other than EO)

**Note:** If a filing requirement is not needed, input a “1” in the NOT-REQUIRED field.

- “Notice of Intent” indicator “1” must be input when establishing the EIN

**Note:** The intend indicator allows the input of a TC 000.

- (5) Establish an EO section once the EIN is established.
- (6) Any transaction that needs to be cycled or held for later input can be cycled up to 6 cycles using a posting delay code. See IRM 2.4, IDRS Terminal Input.

3.13.12.6.2.1  
(01-01-2022)  
**TC 012**

- (1) **Transaction Code 012** reopens an account. Input this TC with CC ENREQ/BNCHG.
- (2) TC 012 reopens an inactive account where a consolidation was attempted but cannot be consolidated because duplicate modules exist and cannot be deleted with TC 020 or 022. Filing requirements of such accounts are all 8s.
- (3) This transaction will not post to the account unless **all** FRs are changed to either a significant code or zero. Also input a “1” in the “NOT-REQUIRED>” field.

3.13.12.6.2.2  
(01-01-2022)  
**TC 013**

- (1) **Transaction Code 013** indicates the primary name line was changed. Input this TC with CC ENREQ/BNCHG.
  - a. Always use the Master File name control, not a check digit or dummy name control when changing the name lines.
  - b. If necessary, change the name on the P Tape also.
  - c. IRM 3.13.12.6.9 for specific procedures to input a corporation name.

- d. IRM 3.13.12.6.10 for specific procedures to input a trust name.
- e. IRM 3.13.12.6.11 for specific procedures to input the name of a non-profit organization.

(2) Any request to **change a name on an Exempt Organization account** must be accompanied by appropriate documentation in order to be considered.

**Caution:** IRM 3.13.12.12.10.4.1 before changing a subordinate's name.

- a. If the type of organization is a 0 on BMFOLO, change name as requested if the name change box is checked or correspondence requesting name change is received. No documentation is required.
- b. If the type of organization is a 1 on EDS or on BMFOLO, the organization is incorporated with the state. A state-approved amendment to the articles of incorporation that indicates both the old and new name of the organization along with proof of filing with the state are required.
- c. If the type of organization is a 2 on EDS or on BMFOLO, the organization is a trust. An amendment to the trust agreement is required along with the trustee(s) signature.
- d. If the type of organization is a 5 on EDS or on BMFOLO, the organization is an unincorporated association. An amendment to the articles of association, constitution, by-laws or other organizing document is required along with signatures of at least two officers/members.

If	Then
Accompanying information is present, or can be verified on the Secretary of State web sites	Input a TC 013 with Doc. Code 63. Send a 252C letter to the organization acknowledging the change to its name.
Accompanying information isn't present	Inform the taxpayer with letter 1224C the name change can't be made unless one of the items listed above is present.

(3) Name changes that don't require documentation are:

- Misspelled names
- Name control mismatch
- Accounts in EO Status 06, 11, 12, 34, 36, 40, or 42
- Organization is a church
- Organization is a credit union
- Organization does not have a subsection

(4) When inputting a TC 013 with CC ENREQ/BNCHG, Document Code 63, only the following fields are required:

- Primary name
- New name control
- Remarks



3.13.12.6.2.3  
(01-01-2022)  
**TC 014**

- (1) **Transaction Code 014** indicates the account address (i.e., domestic street address, mailing city, state and ZIP) has changed. Input this TC with CC ENREQ/BNCHG. Address changes may be necessary when working unprocessable returns, EO correspondence, EO TDIs, and EO unpostables.

**Caution:** Always verify the address on a return. If the address on the return is different from the address on Master File, **always** input a TC 014 to change the address even if the change is minor (e.g., the apartment number).

- (2) Use the following guidelines for inputting addresses:
- If a foreign street address is input, input the foreign city and foreign country in the mailing street address and mailing city, state and ZIP line.
  - A foreign postal code may be input.
  - If a foreign country is input, input "." in the state field.
  - If a foreign city or postal code is input, input the foreign street address.
  - If a domestic mailing city, state and ZIP or major city code and ZIP code are input, input the mailing street address.
  - If a major city code is input, input a mailing ZIP code.
- (3) If it can be determined the correspondence was initiated by a third party, research the CAF using CC CFINK.
- If a proper authorization isn't found, send letter 135C and destroy the request.
  - If a proper authorization is found, update the address as requested.
- (4) When inputting a TC 014 with CC ENREQ/BNCHG, Document Code 63, the following fields are required:
- Mailing address, city, state and Zip (always input if present)
  - Remarks

3.13.12.6.2.4  
(01-01-2022)  
**TC 016**

- (1) **Transaction Code 016** indicates a change to data already on the BMF such as:
- BMF filing requirements
  - Railroad Retirement Board Numbers
  - Form 8123 code
  - Fiscal year month
  - Employment code
  - EO section
  - Sort name
  - Care of name
  - Location street address
  - Location city, state, and ZIP
- (2) This TC can be input using either CCs ENREQ/BNCHG or EOREQ/EOCHG.
- (3) Use Document Code 81, Definer Code D, with TC 016, when exemption data for all subordinates under one GEN number is being changed. The input document must contain the From GEN, the parent's EIN, name control, status code and month, ruling year and month and affiliation code. When this TC is used, a transaction, identical to the input TC 016, will be generated for every subordinate on the GEN file for posting to the BMF.

- (4) When inputting a **TC 016** with CC EOREQ/EOCHG, Document Code 80, the following fields are required:

- Remarks
- Definer codes, **OR**

One of the following must be present:

- Deductibility code and year
- Activity code
- Type of organization code
- File folder number
- Pension plan
- Advance ruling date
- Cumulative list
- TEP case code
- Sort name
- In care-of-name
- Subsection, if input is 99
- Foundation Code, if input is 99

- (5) When inputting a **TC 016** with CC EOREQ/EOCHG, Document Code 81, the following fields are required:

**Note:** A New GEN cannot be input with Doc. Code 81.

- Remarks
- From GEN
- Definer codes, **OR**

One of the following fields must be present:

- Deductibility code and year
- Activity code
- File folder number

- (6) When adding filing requirements to an account in a good status with TC 016, CC EOREQ/EOCHG, Document Code 80, the following fields are required:

- Definer Code ABC
- Subsection code
- Foundation code (if applicable)
- Classification code
- Status code and date
- Ruling date
- FYM
- Filing requirements
- Remarks

- (7) If an account is in good status and you are adding filing requirements, check ENMOD to determine if a date is present in the Date Business Closed (DBC) field. If a date is present, zero out the date prior to adding filing requirements. To zero out the date, input a TC 016 with CC ENREQ/BNCHG and enter eight "9"s in the DBC field.

3.13.12.6.2.5  
(01-01-2022)  
TC 020

- (1) **Transaction Code 020** deletes an account from the Master File if no modules are present that contain return or credit transactions. **Use of this transaction requires your lead's or Manager's approval.**

**Note:** Accounts with modules present will remain on the BMF but all the filing requirements will be changed to 8 to indicate the account is in inactive status.

- (2) When inputting a **TC 020** with CC ENREQ/BNCHG, Document Code 63, the following fields are required:
- Transaction Code 020
  - Remarks
- (3) TC 020 shouldn't be used unless an organization never existed and the EIN was applied for in error.

3.13.12.6.2.6  
(10-25-2022)  
TC 022

- (1) **Transaction Code 022** will delete an EO section. Use this TC when a BMF account has an erroneously established EO section.

**Caution:** Extreme caution must be taken when using TC 022 to ensure a good exemption isn't deleted. **DON'T INPUT TC 022 WITHOUT THE EO MANAGER'S OR LEAD'S APPROVAL** except when a TC 022 is needed to remove a subordinate from a group ruling to update to status 36 or 40.

**Note:** If an EO account shows an open AIMS (TC 420, 424, or 427) or Freeze Codes (-A, E-, -F, J-, -J, N-, O-, P-, -R, -S, T-, -U, -V, W-, -W, X-, -Y, -Z) on any EO tax module, **don't** delete the EO section. It will unpost with a UPC 359. Once an EO section is deleted, the account reverts back to a regular BMF.

- (2) **The following are examples of erroneously established EO Sections:**
- A Document Code 80 was used to change an address when a Document Code 63 should be used when no EO section information is present. This condition will result in an Unpostable 379 RC 1.
  - Sometimes organizations use their corporation or similar identifying numbers when applying for an exemption. The **exemption is erroneously established** on the corporation account (EIN) and subsequently placed in Status 20 to allow the Form 1120 to post.
  - The organization filed a Form 990-T for a 401(a) Trust and the account was **erroneously established** with EO subsection data. These accounts are often shown in Status 40.
  - Correspondence from the organization states we have **erroneously established** the account with GEN, exemption data, etc.
- (3) Input TC 022 with CC ENREQ/BNCHG.
- (4) Don't use TC 022 with accounts in EO Status of 01-26, 28, 29 and 70-72, unless it is obvious the EO section was erroneously established or the group was dissolved during the SGRI process.
- (5) When an EO/BMF account has two EINs that should be merged (consolidated), it may be necessary to delete the EO section for one of the EINs to facilitate the merge. **Use Caution** when the TC 022 is used for this purpose. Always be sure one of the EINs has a complete EO Section.

3.13.12.6.3  
(01-01-2022)

**Definer Codes**

- (1) For 016, a definer code will always be necessary if a filing requirement for Forms 990, 990-PF, 990-T, 5227 or Not Required (NR) is input.
- (2) Definer Codes A, B, C, D, and F may be input in any position.
  - a. All or one of Definer Codes A, B, and C may be present with a TC 016, Document Code 80 or 81.
  - b. When entering Definer Code D, it must be the only definer code and the Document Code must be 81.
  - c. When entering Definer Code F, it must be the only definer code and the Document Code must be 80.

3.13.12.6.3.1  
(01-01-2022)

**Definer Code A Required Input**

- (1) **Definer Code A - Document Code 80**
  - Transaction Code 016
  - One of the following FRs: 990, 990-PF, 990-T, 5227, NR
 

**Note:** A Form 990 or Form 990-PF FR must be present if the Form 990-T FR is 1.
  - FYM
  - Subsection
  - Type of foundation (if applicable)
  - Classification code
  - From GEN (if applicable)
  - Remarks
- (2) **Definer Code A - Document Code 81**
  - Transaction Code 016
  - From GEN
  - NR filing requirement of 1
  - Subsection, type of foundation (if applicable) and classification code
  - Remarks

3.13.12.6.3.2  
(01-01-2022)

**Definer Code B Required Input**

- (1) **Definer Code B - Document Code 80**
  - Transaction Code 016
  - Status code and date
 

**Note:** For instructions on status codes and dates, see IRM 3.13.12.6.18.
  - Remarks

3.13.12.6.3.3  
(01-01-2022)

**Definer Code C Required Input**

- (1) **Definer Code C - Document Code 80**
  - Transaction Code 016
  - GEN
  - Affiliation code
  - Remarks
- (2) **Definer Code C - Document Code 81**
  - Transaction Code 016
  - From GEN
  - Affiliation code

- Remarks

3.13.12.6.3.4

(01-01-2022)

**Definer Code D Required Input**(1) **Definer Code D - Document Code 81 only**

- Transaction Code 016
- From GEN
- Status code and date
- Subsection, type of foundation (if applicable) and classification code
- Ruling date
- Affiliation Code of 9
- Form 990 FR of 01
- Remarks

3.13.12.6.3.5

(01-01-2022)

**Definer Code E Required Input**(1) **Definer Code E – Document Code 81 only**

- Transaction Code 016
- Ruling date
- From GEN
- New GEN
- Affiliation Code
- Remarks

**Note:** Definer Code E can only be accessed by National Office and the Ogden Submission Processing Center.

(2) Definer code E is used to dissolve a group ruling.

3.13.12.6.3.6

(01-01-2022)

**Definer Code F Required Input**(1) **Definer Code F-Document Code 80 only**

- Affiliation Code of 6, 7, 8, or 9
- From GEN
- Remarks

3.13.12.6.3.7

(01-01-2022)

**Definer Code G Required Input**(1) **Definer Code G - Document Code 80 only**

- From GEN (must not be 0000 or 9999)
- Affiliation Code of 1, 2, or 3
- New GEN 9999
- EO Status Code 01
- Form 990 FR of 01, 02 or 06
- FYM
- Classification Code
- Subsection Code
- Foundation Code of 10-18 or 21 -24 if Subsection Code is 03
- Remarks

3.13.12.6.4

(09-20-2023)

**Primary, Sort, Care of Names and Name Control**

(1) The EO entity portion on the BMF consists of the following 35 character fields:

- Primary name (legal name)
- Continuation of primary name
- Sort name (DBA or business name)
- Care of name (% and name)

**Note:** The percent sign (%) character is only valid to identify a care of name.

- (2) Primary name and continuation of primary name must not be longer than a total of 70 characters or 35 characters each line. Don't split a word between lines.
- (3) Use only the following characters for the legal name:
- alpha
  - ampersand (&)
  - numeric
  - hyphen (-)
- Note:** Don't leave a space before or after the hyphen. Don't use a double hyphen.
- (4) A period (.) isn't an accepted character. If the organization's name has a period within the name, substitute a space for the period.
- Example:** If the organization's name is A.B.C.D., input the name as A B C D. No space is necessary at the end of the name.
- (5) An apostrophe (') isn't an accepted character. If the organization's name contains an apostrophe, omit it.
- Example:** If the organization's name is St. Ann's School, input the name as ST ANNS SCHOOL.
- (6) CC ENREQ/BNCHG is used to change entity fields.
- (7) The entity fields can be input independently, with the exception of the continuation of the primary name that requires the input of the primary name field.
- (8) Mail going to a domestic organization may carry two name lines. The priority of these name lines is as follows:
1. Primary name
  2. Sort name if present on the BMF
  3. Care of name
  4. Foreign street address
  5. Continuation of primary name if no foreign street is present
- (9) Input the primary name, care of name and sort name accurately to ensure outgoing mail can be properly delivered.
- (10) For accurate identification of an organization, input the following information as a sort name with the number first (don't duplicate the primary name on the sort name line):
- Local #
  - District #
  - Unit #
  - Post #
  - Council #
  - School name
  - Governmental division
- (11) For accurate identification of a trust, input the following information at the end of the primary name line:

- Account number
- Donor number
- Contract number

3.13.12.6.5  
(01-01-2022)  
**Primary Name**

- (1) Suffixes such as P.A. for Professional Association, P.C. for Professional Corporation, and INC. for Incorporated indicate a corporate entity. To input a corporate entity:
  - a. Don't modify the corporate name. Don't abbreviate, change symbols or change "and" to "&". The corporation receives its charter from the state exactly as shown by the organization.
  - b. Bracket (]) following the word THE] in the corporate name or business name, unless "The" is followed by only one word. This will allow you to use the second word as the name control, but the primary name will be printed on any notice or letter exactly as the taxpayer indicated on his form or return.
- (2) The true trust name must appear on the primary name line. If the true trust name isn't present or can't be determined from the primary name line, contact the organization by phone, fax or letter.
- (3) If a parent primary name has the word "Grand" or "Supreme" in it, don't use the word "Grand" or "Supreme" in a subordinate's primary name.
- (4) If the parent or subordinate insists the subordinate's primary name is other than the parent's primary name, honor the organization's request and change the name.

**Caution:** See IRM 3.13.12.12.10.4.1 before changing the subordinate's name.

- (5) If an invalid character is used in the name line, drop the special character from the taxpayer's name.

**Example:** Jones.com would be JONES COM.

- (6) Use the first four characters of an individual's first name to identify political organizations.

**Example:** Committee to elect John Doe for Mayor should be input as JOHN DOE FOR MAYOR COMMITTEE TO ELECT.

If an individual's first name is not present, use the first four characters of the organization.

**Example:** Committee to elect Doe should be input as is.

- (7) When using CC ENREQ/BNCHG, Document Code 63 to input the Primary Name Line:
  - a. The Transaction Code must be 000.
  - b. All lines must be entered as they should appear on the BMF.
  - c. **Never enter information in the primary name that isn't a part of the primary name.**
  - d. The second name line is used as a continuation of the organization name. Never enter a character in the first position.

- e. The new name control must always be entered. For name control procedures, see IRM 3.13.12.6.8.
- f. When working EO type accounts, see IRM 3.13.12.6.8.1 for corporation name control procedures and IRM 3.13.12.6.8.2 for trust name control procedures.

3.13.12.6.6  
(09-20-2023)  
**Sort Name**

- (1) The sort name is another way to locate the organization. BMF uses the sort name to locate the organization on the National Account Index using CC NAMEE/NAMEB.
- (2) If the sort name is an individual name (e.g., a trustee) enter the name as indicated by the filer followed by their title.
- (3) Delete the word "The" from the sort name, unless it is followed by only one word.
- (4) The sort name can be a:
  - Business or trade name if different from the true name
  - Trustee of a trust, if the trustee is an individual
  - Local #, unit #, district #, post #, council # of a national organization
- (5) The sort name **can't** be a:
  - Care of Name, unless it is an individual trustee
  - Financial or banking institution
  - Location address
  - Officer's name of a corporation (e.g., president or vice-president)
- (6) When using CC EOREQ/EOCHG, Document Code 80 to input the sort name:
  - a. This is a 35 character field and is treated exactly the same as a BMF secondary sort name on the BMF.
  - b. The first position must be numeric or alpha.
  - c. To delete the sort name, input \$\$ in the first two positions of the sort name line.
  - d. If the organization is part of a group ruling and the primary name line is the name of the parent, there must be a sort name. Don't duplicate the primary name on the sort name line. **The sort name must never be included as part of the primary name.**

3.13.12.6.7  
(01-01-2022)  
**In Care of Name**

- (1) When using CC ENREQ/BNCHG, Document Code 63, to input the In Care of Name (CO):
  - a. If the CO is input, enter a percent sign (%) in the first position, followed by a space and then the name.
  - b. To delete the CO, input \$\$ in the first two positions of the in care of name line.

3.13.12.6.8  
(01-01-2022)  
**Name Control**

- (1) To input the name control:
  - a. Use any combination of 2–4 alpha and numeric characters.
  - b. Use blanks only in the last two positions of the name control.
  - c. Don't use ampersand (&) or hyphen (-) in the first position of the name control.



3.13.12.6.8.1

(01-01-2022)

**Corporation Name Control**

- (1) For the name control of a corporation, use the first four significant characters of the corporation's name. To determine a corporate name control:

- a. Bracket the word THE] when followed by more than one word. For example:

Name: The *Meadowlark* Co.

Name Control: THE] **MEAD**

- b. Include "the" in the name control when it is followed by only one word. For example:

Name: *The* Flamingo

Name Control: **THEF**

- c. Use corporate name control rules if an individual name contains the abbreviations PC for Professional Corporation, SC for Small Corporation, PA for Professional Association, or PS for Professional Service. For example:

Name: *John* Waxwing PA

Name Control: **JOHN**

- d. Apply corporate name control rules when the organization name contains the words "Fund" or "Foundation". For example:

Name: *Kathryn* Canary Memorial Fdn

Name Control: **KATH**

- e. Apply corporate name control rules when the organization name contains the name of a corporation and both the words "Trust" and "Fund".

**Exception:** For Forms 5227, trust name control rules apply, even if the "Fund" or "Foundation" is in the organization's name. See IRM 3.13.12.6.8.2.

3.13.12.6.8.2

(06-06-2022)

**Trust Name Control**

- (1) To determine the name control of a trust:

- a. Use the first four characters of an individual's last name. For example:

Name: Michael I. *Azalea* Trust

Name Control: **AZAL**

- b. Use the first four characters of the corporate name:

Name: *Daisy* Corp. Employee Benefit Trust

Name Control: **DAIS**

- c. Contact the organization by telephone if the trust name can't be determined. If telephone contact cannot be made, correspond using letter 45C.
- d. If the organization name contains both "Trust" and "Fund" and an individual's name, apply trust name control rules.

**Exception:** For Forms 5227, trust name control rules apply, even if "Fund" or "Foundation" is in the organization's name.

- (2) Trust and partnership EINs beginning with 20, 26, 27, 45, 46 and 47 should follow name control rules found in IRM 21.7.13.5.8.6.1, Exception Name Controls: Trusts.

- (3) An Individual Retirement Account (IRA) should follow Trust name control rules by using the first four characters of the last name.

3.13.12.6.8.3  
(01-01-2022)

**Other Name Control**

- (1) Use the following rules to determine name control for exempt organizations other than corporations and trusts:
- Use the pilot voucher to determine the name control for Parent Teacher's Associations.
  - If the return has an abbreviated first name, use the first four characters of the abbreviated name for the name control. For example:

Name: *RSVP* 245

Name Control: **RSVP**

- If the name contains the words "lodge," "local," "chapter," or "post," use the first four digits of the parent name:

Name: Local 210, International

Name Control: **INTE**

Name: Post 3120, Veterans of Space Wars

Name Control: **VETE**

- When an individual name and a corporate name appear, use the first four letters of the corporation name. For example:

Name: Barbara J. Zinnia

*ZZ Grain, Inc.*

Name Control: **ZZGR**

- For churches and their subordinates, i.e., nursing homes, hospitals and schools, use the legal name of the church or subordinate as the name control. For example:

Name: Diocese of Kansas City

*St. Rose's Hospital*

Name Control: **STRO**

Name: *St. Bernard's Methodist Church Bldg. Fund*

Name Control: **STBE**

- (2) To determine the name control for political organizations, follow the examples below:

- Friends of Jane Doe  
Name Control: JANE  
Input: JANE DOE FRIENDS OF
- Committee to Elect John Smith  
Name Control: JOHN  
Input: JOHN SMITH COMMITTEE TO ELECT
- Smith for State Representative  
Name Control: SMIT  
Input: SMITH FOR STATE REPRESENTATIVE
- Linda Jones for Congress  
Name Control: LIND  
Input: LINDA JONES FOR CONGRESS

- e. Citizens for John Doe  
Name Control: JOHN  
Input: JOHN DOE CITIZENS FOR
- f. Friends of Smith  
Name Control: FRIE  
Input: Friends of Smith

**Note:** These name control rules apply to 527 organizations only. If the organization is exempt under 501, the normal rules apply.

3.13.12.6.9  
(01-01-2022)  
**Inputting Corporation  
Name, Sort Name, and  
Name Control**

- (1) Use the following to input a corporation name, sort name and name control:

- Application for an Employer Identification Number (Form SS-4)
- The filing of a return without an EIN
- A return with a name change
- Correspondence from the organization indicating a name change

3.13.12.6.10  
(04-14-2023)  
**Inputting Trust Name,  
Sort Name, and Name  
Control**

- (1) Use the following to input a trust name, sort name and name control:

- Application for an Employer Identification Number (Form SS-4)
- The filing of a return
- A return with a name change
- Correspondence requesting a name change

- (2) Keep the primary name to no more than 70 characters. Abbreviate the following words or phrases, if necessary:

Word or Phrase	Abbreviation
Trust	TR
Under agreement	UA
Dated Jan. 16, 1987	01-16-87 (See Note)
Trustee	TTEE
For the Benefit of, F/B/O, F B O	FBO
Non-exempt Charitable Trust	NECT
Under Trust Agreement	UTA
Voluntary Employee Benefit Association	VEBA
Charitable Remainder Annuity Trust	CRAT
Charitable Remainder Unitrust	CRUT

**Note:** Don't input date, dated or the alpha month.

- (3) Always input an individual trustee in the sort name line. If the trustee is a bank, mortgage company or corporation input in the in care of (%) name line.
- (4) Use the following example for inputting a trust name:

Return or form shows:

Turtle Memorial Cemetery Perpetual Trust Fund  
William C Bear Trustee

Primary Name: TURTLE MEMORIAL CEMETERY PERPETUAL  
[Continuation of Primary Name]: TRUST FUND  
Sort Name: WILLIAM C BEAR TTEE

**Note:** When completing name and continuation lines for Forms 5227, add the bank account number (usually 8 to 10 digits) to help identify possible duplicate EIN assignment. Don't add numbers or characters in addition to the 8 to 10 digits bank account number. If the entire account number doesn't fit on the primary name line, enter the entire number on the sort name line (don't input part of the number or the entire number on the continuation line)

- (5) An Individual Retirement Account (IRA) should follow Trust name rules by inputting the first name, last name, IRA and the account number (if available). The name control will be the first four characters of the last name.

**Note:** If the entire account number doesn't fit on the primary name line, enter the entire number on the sort name line (don't input part of the number or the entire number on the continuation name line).

3.13.12.6.11  
(01-01-2022)  
**Inputting Non-profit  
Organization Name, Sort  
Name, and Name  
Control**

- (1) Use the following to input non-profit organization names:
- Application for an Employer Identification Number (Form SS-4)
  - The filing of a return without an EIN; e.g., Forms 990, 990-EZ, 990-T, 990-PF, 5227, 990-BL (tax years before 2021 only, see IRM 3.13.12.9.8), 1041-A, 4720, and 8868
  - A return with a name change
  - Correspondence requesting a name change

3.13.12.6.12  
(01-01-2022)  
**Addresses**

- (1) The following sections provide instructions on domestic, domestic foreign, and foreign addresses.

3.13.12.6.12.1  
(01-01-2022)  
**Domestic Mailing and  
Location Addresses**

- (1) According to postal regulations, mail will be delivered to the last address immediately preceding the city, state and ZIP code. To input the mailing address, always use the Post Office (P.O.) Box as the mailing address if present.

**Exception:** If the taxpayer indicates the street address is the mailing address and the P.O. Box is the location address, leave the P.O. Box as the location address. This applies to trusts and estates only.

- (2) A business may have two addresses. One for the mailing address and one for the location address or physical location of the business.
- (3) If both mailing and location addresses are present:
- a. Input the mailing address on the MAIL-STREET-OR-FOREIGN-CITY/ZIP> line.
  - b. Input the mailing city, state and ZIP code on the MAIL-CITY/STATE/ZIP-OR-FOREIGN-COUNTRY> line.
  - c. Input the location address on the LOCATION-STREET-ADDRESS> line.

- d. Input the location city, state, and ZIP code on the LOCATION-CITY/STATE/ZIP> line.
  - e. Enter a comma after both the city and state and enter the ZIP code last (no spaces after the commas).
- (4) To delete a location address:
- a. Use CC ENREQ/BNCHG.
  - b. Input \$\$ in the first two positions of the location street address.
  - c. Make sure the location city, state and ZIP line is blank.
- (5) When changing the mailing address from a street to a P.O. Box number, retain the street address as a location address. The retention of the street address is necessary as an audit trail for locating organizations. If the location address is already present on the account, do not retain the street address.
- Caution:** If the organization is part of a GEN, don't retain the former street address as the location address when the mailing address is changed to a P.O. Box.
- (6) Don't input the additional four (4) digits of the 12-digit ZIP code with TC 000, TC 014, and TC 019. The Finalist computer program will automatically expand the nine (9) digit ZIP code to 12 digits.
- (7) The Street Address (STAD) has a maximum of 35 characters when entered. If the STAD is entered, input the city and state fields. A major city code may be used followed by two (2) commas and the zip code.

3.13.12.6.12.2  
(01-01-2022)

**Guidelines for Domestic  
Mailing and Location  
Addresses**

- (1) Use the following guidelines when inputting the mailing or location street address:
- a. Don't leave a blank space between the house or building number and an alpha suffix. For example:  
  
*Organization submits:* 1234 B North Street  
*Input:* **1234B North St**
  - b. Input a house or building number when possible. If no number is present, use a building name. Otherwise, contact the organization.
  - c. Always input the suite, apartment number, room number, etc. at the end of the street address line.
  - d. If present, always input the street suffix; e.g., street, drive, lane, and terrace.
  - e. If present, always input the street directional; e.g., North, South, East, and West.
  - f. If the address contains a fraction, input as a slash (/).
  - g. If the address contains a hyphen between two numbers, omit the hyphen and leave a space. For example:  
  
*Organization submits:* 289-01 Main St  
*Input:* **289 01 Main St**
- Note:** Don't delete the hyphen if it indicates a range or is part of an apartment number.
- h. If there are two directional in a street address, abbreviate the first directional and leave the second spelled out.

*Organization submits:* North South Main St

*Input:* **N South Main St**

**Exception:** If the address contains NW, NE, SW, SE, don't spell out any part of the directional.

- i. Change RFD and RD (rural delivery) to **RR**. Delete any leading zeros.
- j. Always enter "and" in place of the symbol "&."
- k. If the address contains a decimal, convert the decimal to a fraction. For example:

*Organization submits:* 1.5 miles south of Hwy 19

*Input:* **1 1/2 miles south of Hwy 19**

- l. If no street address or P.O. Box is provided by the organization, input the word "Local" on the street address line. This should only occur in very small towns.
- m. If the city and state are missing or incomplete and the ZIP code is present, perform online research to determine the city and state. If the city and state cannot be determined from the ZIP Code Directory, the envelope if attached, or telephone contact, destroy the EIN application.
- n. If the ZIP code is missing, research the ZIP Code Directory, and enter the ZIP code.
- o. *Optional:* If the city is a major city, input the Major City Code in place of the city and state on both the mailing and location addresses. Enter the Major City Code, two commas and then the ZIP code.
- p. If location address is same as mailing address and there is a different location address on IDRS, and you are making other changes to the entity information, delete the location address on IDRS. If you are not taking any other action, do not delete the location address.
- q. If the location address and mailing address are the same, and there is no location address on IDRS, do not input location address.

3.13.12.6.12.3  
(04-14-2023)

- (1) Use the following street address abbreviations when necessary:

#### **Domestic Street Address Abbreviations**

Word	Abbreviation	Word	Abbreviation
Air Force Base	AFB	One-fourth	$\frac{1}{4}$
Apartment	APT	One-half	$\frac{1}{2}$
Avenue	AVE	Parkway	PKWY
Boulevard	BLVD	Place	PL
Building	BLDG	Post Office Box	PO Box
Care of	%	RFD	RR
Circle	CIR	RRD/RD	RR
Court	CT	Road	RD
Department	DEPT	Room	RM
Drive	DR	Route	RTE
East	E	Rural Delivery	RR
First	1ST	Rural Route	RR
Floor	FL	Second	2ND
General Delivery	GEN DEL	South	S
Highway	HWY	Southeast	SE
Highway Contract	HC	Southwest	SW
In care of	%	Street	ST
Lane	LN	Suite	STE
North	N	Terrace	TER
Northeast	NE	Third	3RD
Northwest	NW	West	W

**Exception:** Abbreviate East, North, South and West only when it is used as a direction of a street, avenue, etc.

- (2) Use the following abbreviations to limit street address fields to 35 characters:

Word	Abbreviation	Word	Abbreviation
Alley	ALY	Mall	MALL
Annex	ANX	Manor	MNR
Arcade	ARC	Manors	MNRS
Bayou	BYU	Meadow	MDW
Beach	BCH	Meadows	MDWS
Bend	BND	Mews	MEWS
Bluff	BLF	Mill	ML
Bottom	BTM	Mills	MLS
Branch	BR	Mission	MSN
Bridge	BRG	Motorway	MTWY
Brook	BRK	Mount	MT
Burg	BG	Mountain	MTN
Bypass	BYP	Mountains	MTNS
Camp	CP	Neck	NCK
Canyon	CYN	Orchard	ORCH
Cape	CP	Oval	OVAL
Causeway	CSWY	Overpass	OPAS
Center	CTR	Park	PARK
Cliffs	CLFS	Parks	PARK
Club	CLB	Pass	PASS
Corner	COR	Passage	PSGE
Corners	CORS	Path	PATH
Course	CRSE	Pike	PIKE
Courts	CTS	Pine	PNE
Cove	CV	Pines	PNES
Creek	CRK	Plain	PLN
Crescent	CRES	Plains	PLNS
Crossing	XING	Plaza	PLZ
Crossroad	XRD	Point	PT
Crossroads	XRDS	Points	PTS
Curve	CURV	Port	PRT
Dale	DL	Ports	PRTS
Dam	DM	Prairie	PR



Word	Abbreviation	Word	Abbreviation
Divide	DV	Radial	RADL
Estates	EST	Ramp	RAMP
Expressway	EXPY	Ranch	RNCH
Extension	EXT	Rapid	RPD
Fall	FALL	Rapids	RPDS
Ferry	FRY	Rest	RST
Field	FLD	Ridge	RDG
Fields	FLDS	Ridges	RDGS
Flats	FLT	River	RIV
Ford	FRD	Row	ROW
Forest	FRST	Rue	RUE
Forge	FRG	Run	RUN
Fork	FRK	Shoal	SHL
Forks	FRKS	Shoals	SHLS
Fort	FT	Shore	SHR
Freeway	FWY	Shores	SHRS
Garden	GDN	Skyway	SKWY
Gardens	GDNS	Spring	SPG
Gateway	GTWY	Springs	SPGS
Glen	GLN	Spur	SPUR
Glens	GLNS	Spurs	SPURS
Green	GRN	Station	STA
Greens	GRNS	Stravenue	STRA
Grove	GRV	Stream	STRM
Groves	GRVS	Summit	SMT
Harbor	HBR	Throughway	TRWY
Harbors	HBRs	Trace	TRCE
Haven	HVN	Track	TRAK
Heights	HTS	Trafficway	TRFY
Hill	HL	Trail	TRL
Hills	HLS	Trailer	TRLR
Hollow	HOLW	Tunnel	TUNL
Inlet	INLT	Turnpike	TPKE

Word	Abbreviation	Word	Abbreviation
Island	IS	Underpass	UPAS
Islands	ISS	Union	UN
Isle	ISLE	Unions	UNS
Junction	JCT	Valley	VLY
Junction	JCTS	Valleys	VLYS
Key	KY	Viaduct	VIA
Keys	KYS	View	VW
Knoll	KNL	Views	VWS
Knolls	KNLS	Village	VLG
Lake	LK	Villages	VLGS
Lakes	LKS	Ville	VL
Land	LAND	Vista	VIS
Landing	LNDG	Walk	WALK
Light	LGT	Walks	WALK
Lights	LGTS	Wall	WALL
Loaf	LF	Way	WAY
Lock	LCK	Ways	WAYS
Locks	LCKS	Well	WL
Lodge	LDG	Wells	WLS
Loop	LOOP		

3.13.12.6.12.4  
(01-01-2022)

**Domestic Foreign  
Addresses (APO, FPO,  
AA, AE, AP, MP, PR, GU,  
AS, FM, MH, PW and VI)**

- (1) Use the following state codes in place of the city and state for CCs ENREQ/BNCHG and EOREQ/EOCHG:

Country	State Code	Zip Code
Americas	AA	340XX
Europe	AE	09XXX–098XX
Pacific	AP	962XX–966XX

<b>Examples:</b>	
PVT Daisy Flower	Jean Rose, PPC (SW), USN
Company Fawn, PSC Box 100	USS Oak
167 Infantry Deer Regiment	FPO, AP 96667
APO, AE 09801	
<b>Note:</b> Always use APO or FPO in the address.	

- (2) Use the following State and ZIP codes for territories and possessions:

Country	State Code	Zip Code
Virgin Islands	VI	008nn
Puerto Rico	PR	006nn, 007nn, 009nn
Guam	GU	969nn
American Samoa	AS	96799
Northern Mariana Islands	MP	969nn
Federated States Micronesia	FM	969nn
Marshall Islands	MH	959nn
Palau	PW	969nn

- (3) Research in a geographical dictionary if the name of the foreign country isn't present and cannot be determined.

3.13.12.6.12.5  
(01-01-2022)

**Foreign Mailing and Location Addresses (other than APO, FPO, AA, AE, AP, MP, FM, MH, PW, PR, GU, AS, and VI)**

- (1) Use the following guidelines to enter foreign addresses:

- Don't** abbreviate the country. Input the country in the city field of the mailing city/state/ZIP line.
- Input the state field as a comma "," and a period ".".
- Leave the ZIP code field blank.
- Always enter the foreign street address and mailing street address when the state codes is ",".
- To delete a foreign street address, input \$\$ in the first two positions of the foreign street address.

**Note:** When an organization indicates an address change and the change is to a foreign address, retain the street address as an audit trail for locating organizations.

- (2) To input a foreign address as a location address:
- Always input the location street address.

- b. Enter at least 3 alpha characters for the location city field. Don't use major city codes. A comma must be entered after the location city field.
- c. Input the foreign country in the location state field. It must be at least 3 alpha characters followed by a comma“,”.
- d. Input a period“.” in the location ZIP field.

(3) To delete a foreign address as a location address:

- a. Input \$\$ in the first two positions of the location street address.
- b. Don't input the location city, state, and ZIP.

3.13.12.6.12.6  
(01-01-2022)

#### Inputting Foreign Addresses

- (1) If a foreign address is entered, enter the mailing street or foreign city/postal code and mailing city or foreign country/state/ZIP fields. Enter as follows:
  - Input TC 014.
  - Enter the new street address in the “Foreign Address” field (FA),
  - the city and identifying data in the “Mailing Street or Foreign City/Postal Code” field,
  - the country in the “Mailing City or Foreign Country” field and
  - a period (.) in the “State” field.
- (2) When inputting the **Foreign Address (FA)** with CC EOREQ/EOCHG, Document Code 80:
  - a. If the account has a foreign address, always enter this field.
  - b. If no street address is present, enter “local.”
  - c. Input the American possessions of American Samoa, Mariana Islands, Marshall Islands, Puerto Rico, Virgin Islands and Guam as domestic addresses.
  - d. Use TC 016 if Document Code is 80.
  - e. To delete the FA, enter \$\$.

3.13.12.6.13  
(01-01-2022)

#### Subsection Code and Classification Codes

- (1) The table below includes a complete listing of EO Subsection and Classification Codes:

SS Code	Class. Code	Type of EO	1986 IR Code	1939 IR Code
01	1	Government instrumentality	501(c)(1)	101(15)
02	1	Title holding company	501(c)(2)	101(14)
03	1	Charitable corporation	501(c)(3)	101(6)
03	2	Educational organization	501(c)(3)	101(6)
03	3	Literary organization	501(c)(3)	101(6)
03	4	Org to prevent cruelty to animals	501(c)(3)	101(6)

SS Code	Class. Code	Type of EO	1986 IR Code	1939 IR Code
03	5	Org to prevent cruelty to children	501(c)(3)	101(6)
03	6	Org for public safety testing	501(c)(3)	101(6)
03	7	Religious organization	501(c)(3)	101(6)
03	8	Scientific organization	501(c)(3)	101(6)
04	1	Civic league	501(c)(4)	101(8)
04	2	Local association of employees	501(c)(4)	101(8)
04	3	Social welfare organization	501(c)(4)	101(8)
05	1	Agricultural organization	501(c)(5)	101(1)
05	2	Horticultural organization	501(c)(5)	101(1)
05	3	Labor organization	501(c)(5)	101(1)
06	1	Board of trade	501(c)(6)	101(7)
06	2	Business league	501(c)(6)	101(7)
06	3	Chamber of commerce	501(c)(6)	101(7)
06	4	Real estate board	501(c)(6)	101(7)
07	1	Pleasure, recreational or social clubs	501(c)(7)	101(9)
08	1	Fraternal beneficiary, society or association	501(c)(8)	101(3)
09	1	Voluntary employees beneficiary assoc.- Non-government	501(c)(9)	101(16) & (19)

SS Code	Class. Code	Type of EO	1986 IR Code	1939 IR Code
09	2	Voluntary employees beneficiary assoc.-government	501(c)(9)	101(16) & (19)
10	1	Domestic fraternal societies and associations	501(c)(10)	N/A
11	1	Teachers retirement fund association	501(c)(11)	101(17)
12	1	Benevolent life insurance association	501(c)(12)	101(100)
12	2	Mutual ditch or irrigation company	501(c)(12)	101(100)
12	3	Mutual or cooperative telephone company	501(c)(12)	101(100)
12	4	Organization like those on three preceding lines	501(c)(12)	101(100)
13	1	Burial corporation	501(c)(13)	101(5)
13	2	Cemetery company	501(c)(13)	101(5)
14	1	Credit union	501(c)(14)	101(4)
14	2	Other mutual corporation or association	501(c)(14)	101(4)
15	1	Mutual insurance company or assoc. other than life/marine	501(c)(15)	101(11)
16	1	Corporation financing crop operation	501(c)(16)	101(13)

SS Code	Class. Code	Type of EO	1986 IR Code	1939 IR Code
17	1	Supplemental unemployment comp. trust or plan	501(c)(17)	NA
18	1	Employee funded pension trust created before 6-25-59	501(c)(18)	NA
19	1	Post or organization of war veterans	501(c)(19)	NA
21	1	Black lung benefit trust	501(c)(21)	NA
22	1	Multiemployer pension plan	501(c)(22)	NA
23	1	Veterans association founded prior to 1880	501(c)(23)	NA
24	1	Trust described in Section 4049 or ERISA	501(c)(24)	NA
25	1	Title-holding company for pensions etc	501(c)(25)	NA
26	1	State sponsored high risk health ins. org	501(c)(26)	NA
27	1	State sponsored workers compensation reinsurance	501(c)(27)	NA
28	1	National Railroad Retirement Investment Trust	501(c)(28)	NA
29	1	State Health Care Insurance	501(c)(29)	NA
40	1	Apostolic and religious organization	501(d)	101(18)

SS Code	Class. Code	Type of EO	1986 IR Code	1939 IR Code
50	1	Cooperative hospital service organization	501(e)	NA
60	1	Coop service orgs of operating education orgs	501(f)	NA
70	1	Child care center	501(k)	NA
71	1	Charitable risk pool	501(n)	NA
80	1	Farmers Cooperative	521	NA
81	1	Qualified state sponsored tuition program	529	NA
82	1	Political Organizations	527	NA
90	1	Nonexempt charitable trust 4947(a)(2) (split interest)	4947(a)(2)	NA
91	1	Nonexempt charitable trust (public charity)	4947(a)(1)	NA
92	1	Nonexempt charitable trust (treated as Pvt. Fdn.)	4947(a)(1)	NA
93	1	Taxable farmers cooperative	1381(a)(2)	NA

- (2) When inputting the **Subsection Code (SS)** with CC EOREQ/EOCHG and either Document Code 80 or 81:
- Use TC 016 if Document Code is 80.
  - Use TC 016 if Document Code is 81.
- (3) If the Doc. Code is 81, input the following items:
- SS must be 01-19, 23, or 70.
  - Definer Code must be A or D.
  - If SS is 03, then Type of Foundation must be 09-18.
  - Enter the classification code.



- (4) If the Document Code is 80, perform the following validity and consistency checks:
  - a. SS must be 01, 02, 04-25, 40, 50, 60, 70-71, 81-82, 90-93.
  - b. If the SS is 03 and Status isn't 70-72, input the Type of Foundation as 02, 03, 04, 09-18, or 21-25.
  - c. If the SS is other than 03 and the previous subsection was 03, enter 99 in the type of foundation field.
  - d. If the SS is 03 and the Status is 70-72, don't enter the type of foundation.
  - e. If the SS is 82 and the Status is 34, don't enter the type of foundation.
  - f. Enter the classification code.
  - g. TC is 016, enter Definer Code A.
- (5) Subsection validity checks are also dependent on filing requirements and status codes. See IRM 3.13.12.6.33 and IRM 3.13.12.6.18 for status codes.
- (6) If an erroneous subsection is on the BMF, delete with TC 022.

3.13.12.6.14  
(01-01-2022)  
**Foundation Code**

- (1) When inputting the **Foundation Code (TF)** with CC EOREQ/EOCHG and either Document Code 80 or 81:
  - a. If the Document Code is 80, the TC must be 016.
  - b. If the Document Code is 81, the TC must be 016.
  - c. If the SS is 03 and the Status isn't 70-72, the TF must be input.
  - d. If the SS is 03 and the Status is 70-72, the TF should not be input.
  - e. If the SS is 82 and the Status is 34, the TF should not be input.
  - f. If there is a Form 990-PF FR, the TF must be 02, 03 or 04.

**Note:** TF of 02 is input by Cincinnati; however, for UPC 355 it may be input by the campus. Be very sure the TF of 02 is correct before inputting it, as it exempts the organization from paying taxes on a Form 990-PF. See UPC 355 instructions in IRM 3.12.278, Exempt Organization Unpostable Resolution.

  - g. If there is a Form 990 FR of 01 and SS is 03, Type of Foundation must be 09-25.

**Note:** TF 09 is never valid, but it does allow the posting of Forms 990 and 990-PF under special circumstances.

  - h. If there is a Form 990 FR of 06, the Foundation Code must be 10.
  - i. To delete a foundation code, input 99.

- (2) The following table is a list of foundation codes and descriptions:

Foundation Codes	Description
00	4947(a)(1)
02	Private Operating Foundation with an election under 4940(d)(2)
03	Private Operating Foundation
04	Private Non-Operating Foundation
09	Suspense (a specific type not identified)

Foundation Codes	Description
10	Church - IRC 170(b)(1)(A)(i)
11	School - IRC 170(b)(1)(A)(ii)
12	Hospital - IRC 170(b)(1)(A)(iii)
13	Organizations operated for the benefit of a College or University - IRC 170(b)(1)(A)(iv)
14	Federal, State or Local Government unit - IRC 170(b)(1)(A)(v)
15	Organization receiving support from governmental unit or general public - IRC 170(b)(1)(A)(vi)
16	General Public Charity - IRC 509(a)(2)
17	Public Charity supporting (FC 09-15) (IRC 509(a)(3) (used prior to 1/1/2011).
18	Public Safety - IRC 509(a)(4)
21	Supporting organization - IRC 509(a)(3) - Type I
22	Supporting organization - IRC 509(a)(3) - Type 2
23	Supporting organization - IRC 509(a)(3) - Type 3 functionally integrated.
24	Supporting organization - IRC 509(a)(3) - Type 3 non-functionally integrated.
25	Agriculture Research Organization - IRC 170(b)(1)(A)(ix)

3.13.12.6.15  
(01-01-2022)

#### Classification Code

- (1) When inputting the **Classification Code (CL)** with CC EOREQ/EOCHG and either Document Code 80 or 81:
- If Document Code is 80, the TC must be 016.
  - If Document Code is 81, TC must be 016.
  - Valid CLs are 1, 2, 3, 4, 5, 6, 7, or 8.
  - A maximum of 2 classification codes may be entered beginning with the left-most position. If minimum of one CL is used, don't enter zeros in the remaining positions.
  - If Doc. Code is 80 and CL is 1, the Subsection Code must be 01-25, 40, 50, 60, 70-71, 80-82 or 90-93.
  - If the CL is 2, the SS must be 03-06, 09 or 12-14.
  - If the CL is 3 or 4, the SS must be 03-06 or 12.
  - If the CL is 5-8, the SS must be 03.
  - If Document Code is 81 and CL is 1, SS must be 01-19, 23 or 70.
  - Subsection code must be input.

3.13.12.6.16  
(01-01-2022)

### Affiliation Code

- (1) These instructions for inputting the **Affiliation Code (AF)** with CC EOREQ/EOCHG apply to either Document Code 80 or 81.
- (2) Required fields for TC 016 - Document Code 80 - AF 1, 2, or 3:
  - a. Definer Code C must be input.
  - b. If New GEN is input, it must be 9999.
  - c. If New GEN is input, From GEN must be input.
- (3) TC 016 - Document Code 80 - AF 6, 7, 8, or 9
  - a. Definer Code must be C or F.

If	Then
Definer Code is C,	Either New GEN or From GEN or both must be present.
From GEN is input,	It must match the GEN on the BMF.
New GEN is input,	Valid range is 0002–9998.

- b. If the parent affiliation code was established incorrectly on the BMF, use Definer Code C to make the change. See IRM 3.13.12.6.3.3 for Definer Code C instructions.

**Example:** BMF shows an “8” church, but it should be a “6”.

- (4) TC 016 - Document Code 81 - AF 7 or 9
  - a. Definer Code C or D must be input.
  - b. From GEN must be input using the range from 0002 - 9998.
- (5) The table below shows a list of affiliation codes and descriptions:

Affiliation Code	Description
1	Central Organization (Individual Ruling)
2	Intermediate Organization (Individual Ruling)
3	Independent Organization (Individual Ruling)
6	Parent of a group ruling (not a church)
7	Intermediate parent (subordinate by state)
8	Parent of a church
9	Subordinate of a group ruling (also, group return)

3.13.12.6.17  
(01-01-2022)

#### Type of Organization

- (1) These instructions for inputting the **Type of Organization Code (TO)** with CC EOREQ/EOCHG apply to either Document Code 80 or 81.
- If Document Code is 80, the TC must be 016.
  - The TO and SS must be as follows:

If	Then
TO is 1 (Corporation),	SS must be 01-16, 19, 23, 25, 40, 50, 60, 70 or 80.
TO is 2 (Trust),	SS must be 03-15, 17-22, 24, 25, 50, 60 or 90.
TO is 3 (Cooperative),	SS must be 03, 50, 80 or 93.
TO is 4 (Partnership),	SS must be 40.
TO is 5 (Association),	SS must be 01-21, 23, 40, 50, 60 or 70.
TO is 6 (NECT),	SS must be 91 or 92.

- (2) If the Document Code is 81, TC must be 016 and the following items must be present:
- Definer Code must be a D.
  - TO must equal 5.
- (3) The table below shows the Type of Organization and the descriptions:

Type of Organization	Description
1	Corporation
2	Trust
3	Cooperative
4	Partnership
5	Association
6	Non-Exempt Charitable Trust (NECT)

3.13.12.6.18  
(08-11-2022)

#### EO Status Code and Year

- (1) This section covers EO Status Codes 01, 06, 07, 10-12, 18-36, 40-42, 70-72, and 97-99.
- (2) The instructions for inputting the **Status Code and Year (ST)** with CC EOREQ/EOCHG apply to Document Codes 80 and 81 and must be input with TC 016.
- Input the status code as 2 digits and the year as YYYYMM.
- (3) If the Document Code is 81, input the following items:

- a. Definer Code must be B or D
- b. Status Code must be 01, 20, 22, 26 or 29

**Note:** Status 29 should not be manually input by the campus.

- (4) The following validity and consistency checks are performed:

If	Then
ST is 01,	SS must be 01- 25, 40, 50, 60, 70, or 80.
ST is 06 or 07,	No SS is input and FRC is Form 990-T of 1 and Form 990 of 06.
ST is 10 or 11,	No SS is input and FRC is Form 990 of 06.
ST is 12 and SS is 90,	FRC must be Form 5227 of 1 or 2.
ST is 12 and SS is 91,	FRC must be Form 990 of 01 or 02.
ST is 12 and SS is 93,	FRC must be Form 990-C/1120-C of 20.
ST is 30-33,	No SS or FRC is input.
ST is 12 and SS is 92,	FRC must be Form 990-PF of 1.
ST is 34 and SS is 82,	FRC must be Form 990 of 01 or 02.
ST is 40,	No SS or FRC is input.

- (5) If inputting **TC 012** and the **Document Code is 80**, the following validity and consistency checks are performed:

If	Then
ST is 01,	SS must be 01-25, 40, 50, 60, 70, or 80.
ST is 06, 07, 10, 11 or 40,	SS must be 99 or not input.
ST is 12,	SS must be 90-93.
ST is 18,	SS must be 92.
ST is 19,	SS must be 03 and the TF must be 02, 03, or 04.

- (6) For **Document Code 80**, the ST may be 01, 06, 07, 10-12, 18-20, 22-26, 27, 28, 30-34, 40-42, or 70-72, and the following validity and consistency checks are performed:

If	Then
ST is 18,	SS must be 92.
ST is 41, 70-72,	At least one FRC of Forms 1041, 1065 or 1120 must be input and the FRC for Forms 990, 990-T, 5227, or 990-PF must be zero if input.
ST is 34,	SS must be 82.

(7) If Status is 27, the following validity and consistency checks are performed:

- The fields that are input are name control, EIN, From GEN, To GEN = 9999, definer code, status 17 and date, filing requirements 990-01 or 990-02 and remarks.
- Definer codes are ABC.
- Status code date entered as current month and year (YYYYMM).
- Transaction Code must be 016.
- Document Code must be 80.
- Remarks must be input.

(8) If Status is 28, the following validity and consistency checks are performed:

- The only fields that can be input are name control, EIN of subordinate being placed in Status 28, From GEN, definer code, status code and date, transaction code, document code and remarks.
- Document code must be 80.
- Transaction code must be 016.
- Definer code must be B.
- Status code must be 28 and status code date entered as month and year (YYYYMM).
- From GEN must be input.
- Remarks must be input.

3.13.12.6.18.1  
(01-01-2022)

#### EO Status Code Date

(1) Update the EO Status Code Date as follows:

- When putting an account in, use the effective date on EDS.
- When putting an account in EO Status Codes 06-07, 10-12, 20-21, 26, 28-29, 30-31, 33-36, and 40-42, use the current date.
- When adding a new subordinate from the pilot voucher (when working a new GEN) or from correspondence requesting a subordinate be added, use the current date.
- When putting an account back in after the account was in an inactive EO Status Code like 20-21, 28 or 29, use the ruling date as the status code date.

3.13.12.6.18.2  
(01-01-2022)

#### EO Status Codes

(1) The following table displays the EO Status Codes and their definitions:

Status Code	Definition
01	Unconditional Exemption
02	Conditional Exemption (Obsolete)

Status Code	Definition
06	State University filing Form 990-T
07	Church Filing a Form 990-T
11	School Certification
12	A Formal Exemption Not Granted- Filing an EO Return Form 990 Under IRC 4947(a)(1) Form 990-PF Under IRC 4947(a)(1) Form 5227 4947(a)(2) Trust Form 1120-C Taxable Farmer's Cooperative
18	Temporary Revocation of Private Foundation (Trust) (Required to file Forms 990-PF & 1041)
19	Revocation of Private Foundation (Required to file Forms 990-PF & 1120)
20	Termination-Inactive (out of business etc.)
21	Unable to locate - (new address needed)
22	Revocation (required to file Form 1120)
23	507(a) Termination
24	507(b)(1)(A) Termination
25	507(b)(1)(B) Termination
26	Termination Merger
28	No longer a member of a Group Ruling
29	A Group Ruling was dissolved
30	Churches who voluntarily file Form 990
31	Small organizations other than private foundations
32 (Obsolete 1/2008)	Non-responders to CP 140/144 (CP 140/144 obsolete 1/2008)
33	Foreign Private Foundation - No Exemption- Required 4% Tax on Investment Income
34	527 Political Organization
35	Foreign Entities Exempt by Treaty with U.S.
36	Non IRC 501(c)(3), (4), (9), (17), (20) or (29) organizations - no exemption
40	IRC 501(c)(3), (4), (9), (17), (20) or (29) organizations - No Record of Exemption
41	No reply to solicitation - no exemption
42 (obsolete 9/2011)	Extension filed/posting payments to 1st EO return - no exemption

Status Code	Definition
70	Denied - inactive - no exemption
71	Incomplete Form 1023/1023-EZ/1024/1024-A - no exemption
72	Refusal to rule - no exemption
97	Revocation of tax exempt status - no TC 150 filed for three consecutive years
98	Terrorist organization - no exemption
99	Dump code - no exemption

3.13.12.6.18.3  
(01-01-2022)

**EO Status Code 01**

- (1) When an organization is granted an exemption, Cincinnati EO Determinations, will input the information on the BMF to create the EO account, or add the exemption data to an already existing account. When Status Code 01 is present on the BMF/EO account, it indicates an exemption was granted to the organization. IRC 501(c)(3), 501(c)(9), 501(c)(17) and 501(c)(29) organizations are **required** to notify the Service they are seeking tax-exempt status; therefore, they must file a Form 1023, 1023-EZ, or 1024 as applicable with EO Determinations. Organizations described in IRC 501(c)(4) must notify the IRS of their intent to operate, no later than 60 days after the organization is established, by electronically submitting a Form 8976. Organizations seeking recognition of exemption under IRC 501(c)(4) are required to file Form 1024-A.

**Exception:** Churches, conventions of churches, integrated auxiliaries of churches, and public charities with average annual gross receipts of less than \$5,000 are not required to apply for tax-exempt status.

**Note:** IRC 501(c) organizations **other than** IRC 501(c)(3), 501(c)(4), IRC 501(c)(9), IRC 501(c)(17) and IRC 501(c)(29) organizations are **not** required to file an application for exemption, though they may do so. They are considered exempt even though they don't apply for exemption as long as they are filing the required annual information return.

**Note:** A Form 990-T or a payment for a Form 990-T will automatically post to an account in EO Status 01-02 if the name control and EIN on the return or payment match the name control and EIN on Master File. A Form 990-T filing requirement will be added to the module.

- (2) Status Code 01 can be input by Entity Control from a pilot voucher for a group exemption or from research of EDS.
- (3) If Forms 990, 990-T or 5578 are received with a GEN, or you know they are a subordinate of a group ruling, use the pilot voucher to create the EO section on the BMF and to add the subordinate to the GEN File.

**Note:** Check the Supplemental Group Ruling Information (SGRI) to ensure the subordinate was not removed from the group ruling before creating the EO section. If the SGRI indicates the subordinate was removed but this is a final



990 or 990-T use the pilot voucher to create the EO section. If this isn't the final 990 or 990-T, place the account in Status 40.

- (4) If research of EDS on first screen indicates status 01, 06 or 09, update the BMF for the EO section.

**Caution:** If the status code on EDS is other than 01, 06 or 09, don't update the EO Status Code to 01.

- (5) If the entity is an Non-Integrated Auxiliary (NIA), the Form 990 FRC should be 01, with SS 03 and Type of Foundation Code 10.
- (6) Research CC ENMOD to see if the account is on the BMF.

If	Then
The account is on the BMF	Add the EO section with CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Codes ABC and add the EO data from EDS or the pilot voucher (Form 2363-A). The following fields must be added: subsection, foundation code (if applicable), classification code, affiliation code, type of organization, status code and date, ruling date, deductibility code and year, new GEN (if applicable), pension plan, employment code (if applicable), FYM, NTEE and filing requirements.
The account isn't on the BMF	Add the account to the BMF per IRM 3.13.12.6.2. Then add the EO section per the instructions above.
The ruling date is available	Use the ruling date when returning the EO Status to 01.

3.13.12.6.18.4  
(01-01-2022)  
**EO Status Code 06**

- (1) Use Status Code 06 to create an EO section on the BMF for an account that is a state operated university or college, government entity or a Re-insurance company required to file Form 990-T for unrelated business income.

**Note:** To identify a Re-insurance company check the top of Form 990-T for the words "Re-insurance Company" or similar wording. If unable to determine whether the 990-T is filing for a re-insurance company, put the account in the appropriate status code.

- (2) When a Form 990-T is received for this type of entity and research shows it doesn't have an exemption, use EO Status 06 to add an EO section to the EIN

on the BMF. Input this status code with a TC 016 using CC EOREQ/EOCHG. If a return is received without an EIN and research doesn't locate an EIN, assign an EIN.

(3) The following items must be present for EO Status 06:

- Doc. Code 80
- TC 016
- Definer Codes - AB
- STS-CD/DT - 06YYYYMM
- FYM
- Filing Requirements 990 - 07 and 990-T - 1
- REMARKS

3.13.12.6.18.5  
(01-01-2022)

#### EO Status Code 07

(1) When the EO section isn't on the BMF, use Status Code 07 to create an EO section for an account that is a church filing Form 990-T.

(2) When a Form 990-T for a church is received and research doesn't reveal an exemption, use Status Code 07.

(3) **Never** use this status code under the following conditions:

- a. The GEN is shown in item F on the return.
- b. 401(a) trust is checked on the return or the name contains words such as "**Pensions**," "**Retirement**," "**Welfare**," or "**Profit Sharing Plans**". See IRM 3.13.12.9.12.4 for information on IRC 401(a) and IRC 408 IRA Trusts filing Form 990-T.
- c. The organization name doesn't clearly indicate a church, or you are in doubt whether the organization is a church. In these cases, use Status Code 40.

(4) Add the EO section to the BMF with CC EOREQ/EOCHG. The items shown below must be present when processing a TC 016.

- Doc. Code 80
- TC 016
- Definer Codes - AB
- STS-CD/DT - 07YYYYMM
- FYM
- Filing Requirements 990-06 and 990-T - 1
- REMARKS

If	Then
The account <b>isn't</b> on the BMF,	Use CC ENREQ/BNCHG with Doc. Code 63 and TC 000. Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Codes AB.
The account is on the BMF,	Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Codes AB.

3.13.12.6.18.6  
(01-01-2022)

#### EO Status Code 10

(1) Use Status Code 10 to create an EO section for a church that was examined by the EO Area Office in Dallas.

- (2) The Form 990, that will be received, will be prepared by the EO Area Office Examination. It will be a dummy return, input to create a tax module on the BMF to allow the examination closing record to post.
- (3) Add the EO section to the BMF, through IDRS, with CC EOREQ/EOCHG.

If	Then
The account <b>isn't</b> on the BMF,	Use CC ENREQ/BNCHG with Doc. Code 63 and TC 000. Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Codes AB.
The account is on the BMF,	Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Codes A and B. The items shown below must be present: <ul style="list-style-type: none"> <li>• Doc. Code 80</li> <li>• TC 016</li> <li>• Definer Codes AB</li> <li>• STS-CD/DT - 10YYYYMM</li> <li>• FYM</li> <li>• Filing Requirements 990-06</li> <li>• REMARKS</li> </ul>

3.13.12.6.18.7  
(01-01-2022)  
**EO Status Code 11**

- (1) Use Status Code 11 to create an EO section for a church-controlled school if an EO section isn't already on the BMF.
- (2) Form 5578 is filed by organizations exempt, or claiming to be exempt, from Federal Income Tax under IRC 501(c)(3) that operate, supervise or control a private school (or schools), and are not required to file Form 990.
- (3) When research doesn't reveal an exemption, use Status 11 to create the EO section of the BMF.

**Exception:** If the school is self-controlled, create the EO section using Status 40.

- (4) Add the EO section to the BMF through IDRS with CC EOREQ/EOCHG.

3.13.12.6.18.8  
(01-01-2022)  
**EO Status Code 12**

- (1) Use Status Code 12 to create an EO section for returns filed under IRC 4947(a)(1) or 4947(a)(2) or Taxable Farmer's Cooperatives when the EO section isn't on the BMF.
- (2) If Forms 990 or 990-PF under IRC 4947(a)(1), 990-C/1120-C or 5227 are received and research doesn't reveal an exemption, use Status Code 12.

**Note:** Use Status Code 12 for a Form 990 filer if EDS shows a 1071 letter was sent to the organization. If information is not present on EDS, create the EO section using status 40.

- (3) Add the EO section to the BMF through IDRS with CC EOREQ/EOCHG.
  - a. If the account isn't on the BMF, use CC ENREQ/BNCHG with Doc. Code 63 and TC 000.

- b. The items shown below must be present for processing TC 000.  
 Doc. Code 63  
 TC 000  
 Name Control  
 Primary Name  
 Street Address  
 City, State, ZIP  
 REMARKS
- c. The items shown below must be present for processing TC 016.  
 Doc Code 80  
 Definer Codes AB  
 Subsection Code  
 Classification Code  
 STS-CD/DT – 12YYYYDD  
 FYM  
 Filing Requirements  
 REMARKS
- d. For updating EO Status to 12, use the following table:

Forms Received	Type of Filer	Subsection Code
5227	4947(a)(2)	90
990	4947(a)(1)	91
990-PF	4947(a)(1)	92
990-C/1120-C	Taxable Farmer's Co-Op	80/93

- (4) If the account on the BMF is without an EO section or with an incorrect EO section due to a Form 5227 or Form 1120 FRC, use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Codes AB. To correct, do the following:
  - a. Use the applicable subsection codes as shown above.
  - b. For Forms 5227, check line G.

If	Then
Line G indicates the trust has unrelated business income	Use FRC 2. Research BMF to ensure a Form 1041 FRC is present, adding if necessary.
Line G indicates the trust has <b>no</b> unrelated business income	Use FRC 1. Research BMF and delete any Form 1041 FRC, if present.

- c. For Forms 990 and 990-PF:

If	Then
The BMF has an EO section for Form 5227,	Delete the Form 5227 FRC on the same input as adding the Forms 990 or 990-PF FRC. <b>Always</b> enter ST 12 and use the current date.
A Form 1041-A FRC is also present on the BMF	You <b>must</b> input a TC 591 cc 020, to the tax period of the latest posted MFT 36 tax module.

- d. For Forms 990-C, **always** delete the 1120 FRC. If Form 1120-C is received, 1120 FRC should be changed to 1120>20.
- e. For Doc. Code 80, TC 016 input use Definer Codes AB, Subsection Code, Status Code/Date 12YYYYMM, FYM, filing requirements and remarks.

3.13.12.6.18.9  
(01-01-2022)

**EO Status Codes 18 and 19**

- (1) Status Codes 18 and 19 are input by Cincinnati when a private foundation exemption is revoked. The organization is required to continue filing the Form 990-PF return.
- (2) **Status 18** is used when the organization is a trust. Cincinnati will change the Type of Organization to a 6 and the Subsection Code to a 92. The type of foundation code will be deleted by the BMF. The organization will be required to file both a Form 990-PF and a Form 1041.
- (3) **Status Code 19** is used when the organization is a corporation. The organization will be required to file both a Form 990-PF and a Form 1120.

3.13.12.6.18.10  
(10-25-2022)

**EO Status Code 20**

- (1) **Status Code 20** ("Terminated/Out of Business") is used when the organization with an individual ruling is terminated or out of business. The filing requirement for all EO returns will be updated to zero automatically.
  - a. This status can be input by the campus when correspondence from the organization contains statements such as "out of business", "no longer in operation", or "terminated".

**Note:** Status 20 is only used for organizations with individual rulings. If the organization is a subordinate of a group and the parent indicates it is no longer part of the group, the subordinate is put into Status 36 or 40 depending on the subsection.

- b. Input this status with a Doc. Code 80, TC 016 and Definer Code B, and the current date is input for the status date (YYYYMM). Destroy per local procedures.
- c. If the organization has an IRC 501(c)(3) exemption with end of year assets greater than \$100,000 (see Line 20 Part I on Form 990, Line 21 Part I on Form 990-EZ, Line 6 Part III on Form 990-PF), don't input Status 20.
- d. When the organization responds to a delinquency notice with statements such as "out of business", "no longer in operation", "terminated," etc., a TC 591 cc 020 will be input. When this transaction posts to the tax module the EO Entity Status will be updated to 20 with the date the TC 591 posted.

**Exception:** If the BMF shows the account to be a subordinate of a group ruling; i.e., a GEN is present and the AF is 7 or 9, the update will be to a Status Code 28.

- e. When a final return is filed and Computer Condition Code F is input, the EO Entity Status is automatically updated to 20.

**Exception:** If the BMF shows the account to be a subordinate of group ruling; i.e., a GEN is present and the AF is 7 or 9, the update will be to a Status Code 28.

- (2) If an account is erroneously placed into Status 20, check to see if there's a date in the "date business closed" field on ENMOD. If a date is present, the date must be zeroed out prior to updating the account to a good status. To zero out the field, input eight "9"s in the DT-BUS-CLD field using ENREQ/BNCHG.

3.13.12.6.18.11  
(09-20-2023)

#### EO Status Code 21

- (1) **Status Code 21** ("Unable to locate") is used when we are unable to locate the organization. Status Code 21 is generated by the input of CC FRM49 with a TC 593 cc 082. The posting of the TC 593 cc 082 removes all EO filing requirements.
- (2) If an EO section needs to be updated from status code 21 to 01:
  - a. Check EDS for a "T" case. If a "T" case is found, update the Status Code to 40. Notify the organization they've terminated and must apply for a formal exemption.

**Exception:** If there are unpostable returns received before the date of termination, update to status code 01 to post the return(s). Edit CCC "F" on the latest tax year and send for processing.

- b. If no "T" case is found, update the EO Status to 01, using the current EDS information or the information from the EO section on CC ENMOD or INOLES, and process the return. Research CC BMFOLI to determine what years the organization didn't file a required return and input a TC 474 with cc 001 using CC FRM49 on each year. This will create a filing requirement for those years and issue a delinquency notice if needed..
- c. Update the filing requirements as follows:
  - If the return indicates gross receipts greater than \$50,000, update the 990 filing requirement to 990-01.
  - If the return indicates gross receipts less than or equal to \$50,000, update the 990 filing requirement to 990-02.
  - If there's no indication or the gross receipts can't be determined, update the 990 filing requirement to 990-02.

3.13.12.6.18.12  
(01-01-2022)

#### EO Status Code 22

- (1) **Status Code 22** ("Revocation") is used when the organization's exemption is revoked following review of the organization's account. This status will generate a Form 1120 filing requirement. If the Form 1120 FR is missing, add it to the account.

**Note:** An organization in EO Status 22 cannot become a member of a group ruling without receiving an individual ruling first.

- (2) If the organization files a Form 990-PF but there is a Form 1120 FR, send the return back to the organization and tell them per our records they must file a Form 1120.

3.13.12.6.18.13  
(01-01-2022)  
**EO Status Codes 23 and 24**

- (1) **Status Code 23** ("Termination Under 507(a)") is used when the organization is terminated under 507(a). The filing requirements of all EO returns will be updated to a zero, except Form 990-PF which will not change.
- (2) **Status Code 24** ("Termination Under 507(b)(1)(A)") is used when the organization is terminated under 507(b)(1)(A). The filing requirement for all EO returns will be updated to zero, except Form 990-PF which will not change.

3.13.12.6.18.14  
(01-01-2022)  
**EO Status Code 25**

- (1) **Status 25** Background Information:
  - a. Status 25 represents private foundations that have received an advance ruling letter from Cincinnati indicating they are terminating under 507(b)(1)(B), also known as a 60-month termination. Cincinnati will update the EO Status to 25 and input an Advance Ruling Date using Form 2363-A. There will be a TC 016 on CC BMFOLE to indicate the EO status was changed and advance ruling date input.
  - b. These organizations will continue to file a Form 990-PF for 5 years, but may elect **not** to pay tax on net investment income. If they elect not to pay tax, a Form 872B (Consent to Extend the Time to Assess Miscellaneous Excise Taxes) **must** be attached to the Form 990-PF when filed. The interest on the tax should continue to accumulate in this case, but the organization should not receive notices or penalties. At the end of the 5 years, the organization must show it meets the requirements for public charity status under IRC 509(a)(1), (2), or (3).
  - c. If they meet these requirements, Cincinnati will issue a new determination letter, update the EO Status to 01, change the FR to Form 990 and remove the advance ruling date. If the organization chose to not pay their excise tax, they will **not** owe the interest that accumulated. If the organization chose to pay the tax during the 60-month termination, they may apply for a refund.
  - d. If the organization doesn't meet the requirements, Cincinnati will remove the advance ruling date, update the EO Status to 01 and the filing requirement will remain a Form 990-PF. If the organization did not pay any excise tax during the 60-month termination, the organization will owe back taxes plus interest.
  - e. In the last year of the 60-month termination, the organization may file a Form 990 if they provide the necessary information to Cincinnati as stated in the Form 990-PF instructions and Cincinnati determines they meet the requirements and issues them a new determination letter. Process as follows:



If	Then
The organization files a Form 990 for the final year of their termination period:	<ul style="list-style-type: none"> <li>a. Research EDS to determine if they were approved as a public charity.</li> <li>b. If they were approved, update the BMF with a TC 016 Doc. Code 80 Definer Codes AB.</li> <li>c. If they have not been approved, correspond with the organization stating they are required to supply Cincinnati with the necessary information to determine if they are a public charity before they can file a Form 990. Also state if they have supplied the necessary information to Cincinnati to please send a copy along with their response. If they did not supply Cincinnati with the necessary information, they are required to file a Form 990-PF for the last year of their termination period.</li> </ul>
The organization responds with a copy of the information supplied to Cincinnati,	<ul style="list-style-type: none"> <li>a. Contact Cincinnati asking for a determination of the organization's public charity status.</li> <li>b. If Cincinnati indicates the organization is a public charity, update the BMF with a Form 990 filing requirement and EO Status of 01 with a TC 016 Doc. Code 80 Definer Codes AB.</li> </ul>
The organization responds with a completed Form 990-PF:	<ul style="list-style-type: none"> <li>a. Attach the Form 990 to back of the Form 990-PF and send the Form 990-PF for processing.</li> </ul>

- (2) If a Form 990-PF with the 60-month termination box checked is received from Code & Edit, research EDS to determine if an advance ruling letter 2245 was issued. There will be no advance ruling date on EDS. Also research IDRS with CC INOLE to determine if the EO Status is 25 and if there is an advance ruling date present. If no advance ruling date is present, it can be found by reprinting the 2245 letter through the Letter Generation system on the Inventory Control System Menu on EDS.
- a. If an advance ruling letter 2245 was issued to the organization as shown on EDS and the termination period began prior to January 1, 2002, but Master File was not updated, update the advance ruling date as indicated in the advance ruling letter using CC EOREQ/EOCHG, TC 016 Doc. Code 80. It isn't necessary to update the EO Status to 25 because the Termination Code 1 will update the status systemically.
  - b. If no advance ruling letter was issued to the organization, the EO Status is 25, and there is no advance ruling date on Master File, notify the organization with letter 3064C they must apply for an advance ruling to qualify for the 507(b)(1)(B) termination. Also notify the organization they will



receive a balance due notice. Input a TC 016 Definer Code B to update the EO Status to 01. Circle out the Termination Code 1 on the return.

3.13.12.6.18.15  
(01-01-2022)  
**EO Status Code 26**

- (1) **Status Code 26** ("Termination/Merger") is used for the account that is no longer in existence when two exempt organizations are merged (both accounts were exempt either by individual rulings or by a group ruling). All the EO filing requirements will be updated to zero.

**Note:** When returning an account to Status 01, use the ruling date as the status date, if available.

- (2) When updating an account to EO Status Code 26, always input the x-reference EIN if available.

3.13.12.6.18.16  
(01-01-2022)  
**EO Status Code 27**

- (1) Status 27 is used for subordinates when the parent is placed into Status 97.
- (2) If organizations in Status 27 file a return, update the Status to 40 and post the return if the subsection is IRC 501(c)(3), (4), (9), (17), or (29). If the organization in Status 27 has a subsection other than IRC 501(c)(3), (4), (9), (17) or (29), update the Status to 36 to post the return. If the organization has already filed for and received exempt status as indicated on EDS, update the Status to 01, using the effective date as the status date.

3.13.12.6.18.17  
(08-11-2022)  
**EO Status Code 28**

- (1) **Status Code 28** ("No longer a member of a group ruling") is input systemically if a parent account is placed into Status 29. All the EO filing requirements will be updated to zero.
- (2) If an organization in Status 28 files a return:
  - a. Update to Status 40 if the subsection is IRC 501(c)(3), (4), (9), (17) or (29).
  - b. Update to Status 36 if the subsection is other than 501(c)(3), (4), (9), (17) or (29).
  - c. If the organization filed for and received individually exemption as indicated on EDS, update the EO section per the EDS information.
  - d. Send the return for processing, if needed.
- (3) If a subordinate needs to be manually updated to Status 28 use CC EOREQ/EOCHG with the following information:
  - a. Document code 80.
  - b. Transaction code 016.
  - c. Definer code B.
  - d. Status code 28 with the effective year and month the subordinate was removed from the group ruling (YYYYMM).
  - e. From GEN
  - f. Remarks.

3.13.12.6.18.18  
(10-25-2022)  
**EO Status Code 29**

- (1) Status Code 29 is input systemically when a group ruling is dissolved. All the EO filing requirements are updated to zero.
- (2) If an account is in Status 29 and the organization needs to be updated to a individual ruling, see IRM 3.13.12.12.7 on how to update.
- (3) **Status 29 should no longer be manually input by the campus.** See IRM 3.13.12.12.7 for information on dissolving a group ruling.

3.13.12.6.18.19  
(07-05-2023)  
**EO Status Codes 30-33**

- (1) **Status Code 30** applies to churches, their integrated auxiliaries, and conventions or associations of churches as described in IRC 501(c)(3) who voluntarily file a Form 990, 990-EZ or 990-N though not required to file returns or apply for exemption.
  - a. When a church without an exemption files a Form 990, 990-EZ or 990-N, it will unpost as a UPC 366.
  - b. Establish the EO section with EO Status Code 30 using the current month and year as the status date with TC 016 Doc. Code 80 Definer Code B. No filing requirement is necessary. Status Code 30 will bypass the UPC 366 check and allow the Form 990, 990-EZ or 990-N to post in the future.

**Caution:** If a church has filed for and received an exemption, don't update the EO Status from 01 to 30

**Note:** Form 990-T or a payment for a Form 990-T will automatically post to account in EO Status 30 if the name control and EIN on the return or payment match the name control and EIN on Master File. A Form 990-T filing requirement will not be added to the module.

- (2) **Status Code 31** applies to small organizations, other than churches and private foundations, who normally have annual gross receipts less than \$5,000 and file a Form 990, 990-EZ or 990-N though not required to apply for exemption.
  - a. When an organization without an exemption files a Form 990, 990-EZ or 990-N, it will unpost as a UPC 366.
  - b. Establish the EO section with EO Status Code 31 using the current month and year as the status date with TC 016 Doc. Code 80 Definer Codes AB, FYM, filing requirement 990-02, **only** if the criteria in the "Caution" below is met. Status Code 31 will bypass the UPC 366 check and allow the Form 990, 990-EZ or 990-N to post in the future.
  - c. If an organization applied under a particular subsection and was denied (Status 70), don't update to Status 31.

**Caution:** Don't update an account to EO Status 31 unless the following criteria is met: During the first taxable year the organization received gross receipts of \$7,500 or less, or during the first two taxable years, the organization's aggregate gross receipts were \$12,000 or less, or during the first three taxable years or if the organization is in existence for three or more years, the aggregate gross receipts received by the organization in the immediately preceding two taxable years plus the current year are \$15,000 or less.

- (3) **Status 31 Transcripts** will be issued weekly, through AMS, if a Form 990 posts to an account in EO Status 31 and the gross receipts are \$5,000 or greater. The transcripts will be titled "ST31OVR5K" and contain the following information: EIN, name control, MFT, tax period of the Form 990. Process the transcripts as follows:
- Check EDS for any change in the organization's status code and update according to EDS if necessary.
  - If an organization is in Status 97, don't update to Status 31.
  - Research CC BMFOLI to determine the number of years the organization has filed.
  - Research CC BMFOLR to determine the gross receipts for the last three years.
  - An organization's gross receipts are considered normally not more than \$5,000 if:  
During the first taxable year the organization received gross receipts of 7,500 or less, or during the first two taxable years, the organization's aggregate gross receipts were \$12,000 or less, or during the first three taxable years or if the organization is in existence for three or more years, the aggregate gross receipts received by the organization in the immediately preceding two taxable years plus the current year are \$15,000 or less.
  - If the organization's gross receipts are found to be greater than \$5,000, update the EO Status Code to 40.
  - If the organization's gross receipts are found to be less than \$5,000, no IDRS action is needed.
  - If the organization files a Form 990-N and you're unable to determine the gross receipts, no action is needed.
  - After the transcript is worked, close the case in AMS.
- (4) **Status Code 32** applied to CP 140s and CP 144s with no response to the notice. If no TC 150, 460, 590, 591, 594-599 has posted to a tax module with a Form 990 filing requirement within 90 days of the issuance of the notice, the system will automatically update the EO Status to 32 with a TC 016 Doc. Code 80 Definer Code B.

**Note:** Due to the difference between the receipt of a return and the posting of a return, EO Status Code 32 may not update to 01 Status. If a return is received and account is in Status 32, update to Status 01.

**Note:** Status Code 32 is obsolete and should not be used after January 1, 2008 since the CP 140 and 144 notices are obsolete. Status Code 32 information is provided as historical information only.

- (5) **Status Code 33** applies to foreign private foundations described in IRC 4948(b) that are not required to apply for exemption but are required to file a Form 990-PF to pay 4% tax on gross investment income derived from sources within the United States.
- When these types of foreign private foundations file their Form 990-PF, it will unpost as UPC 366.
  - Establish the EO section with EO Status Code of 33 using the current month and year as the status date with TC 016 Doc. Code 80 Definer B. No filing requirement is necessary. Status Code 33 will bypass the UPC 366 and will allow the Form 990-PF to post in the future.

3.13.12.6.18.20

(01-01-2022)

**EO Status Code 34**

- (1) **Status Code 34** applies to political organizations operating under the rules of IRC 527. Generally, there are two types of 527 organizations:

Type	Description
Federal Organizations	<p>a. FEC political committee: A political organization (including federal candidate committees, political party committees and PACs) that is required to report as a political committee under the Federal Election Campaign Act.</p> <p>b. Other federal political organization: A political organization attempting to influence federal elections that isn't required to report as a political committee under the Federal Election Campaign Act.</p>
State/Local Organizations	<p>a. Candidate committee: A campaign committee of a state or local candidate.</p> <p>b. Party committee: A state or local committee of a political party.</p> <p>c. Qualified state or local political organization (QSLPO): A state or local committee whose political activities relate solely to a state or local public office, is subject to state law that requires it to report to a state agency information about contributions and expenditures, makes reports publicly available, and no federal candidate or office holder controls it, participates in its direction, or solicits contributions for it.</p> <p>d. Caucus or association: a group of state or local officials attempting to influence elections.</p> <p>e. Other political organization: any other state or local political organization.</p>

- a. **Filing Requirements:** The filing requirements in the chart below apply to those tax-exempt political organizations that receive or expect to receive \$25,000 or more in gross receipts in any taxable year.

If the Organization is a	It May Be Required to File
FEC political committee, state or local candidate committee or state or local committee of a political party,	Form 1120-POL.

If the Organization is a	It May Be Required to File
Qualified state or local political organization (QSLPO)*,	Form 8871; Form 1120-POL; and Form 990.
Caucus or association of state or local officials*,	Form 8871; Form 8872; and Form 1120-POL.
Any other political organization, including other federal political organizations and other state or local political organizations,	Form 8871; Form 8872; Form 1120-POL; and Form 990 or Form 990-EZ.

\*An organization may be both a QSLPO and a caucus or association of state or local officials. If so, it isn't required to file Form 8872 and Form 990.

**Note:** If the political organization doesn't have gross receipts of at least \$25,000, it must file Form 1120-POL if it has taxable income after taking the \$100 specific deduction for any taxable year.

- b. IRM 3.13.12.14.1 for Form 8871/8453-X instructions. See IRM 3.13.12.14.2 for Form 8872 instructions.

3.13.12.6.18.21  
(01-01-2022)  
**EO Status Code 35**

- (1) **Status Code 35** applies to foreign entities the IRS has agreed are exempt by treaty with the participating country but have no foundation code. For example, Canadian charities would be set up on Master File with an EO Status Code of 35.
  - a. When this type of foreign entity files a Form 990-PF, Form 990 or Form 990-T, it will unpost as UPC 366.
  - b. Establish the EO section with EO Status Code 35 using the current month and year as the status date with TC 016 Doc. Code 80 Definer B. No filing requirement is necessary. Status Code 35 will bypass the UPC 366 check and will allow the return to post in the future.
  - c. For a complete list of countries the IRS has agreed are exempt by treaty refer to Publication 515, Tax Treaty Table 3.

3.13.12.6.18.22  
(09-20-2023)  
**EO Status Code 36**

- (1) **Status Code 36** applies to Form 990 filers with a Subsection other than IRC 501(c) (3), (4), (9), (17) or (29).

If	Then
The return is unprocessable and the subsection indicated on the return is other than 03, 04, 09, 17 or 29:	<ol style="list-style-type: none"> <li>Make the necessary corrections to resolve the unprocessable condition.</li> <li>Establish the EO Section with CC EOREQ/EOCHG, TC 016, Doc. Code 80, Definer Codes AB, subsection (as indicated on the return), classification code 1, Status Code 36 (using the current month and year as the status date), FYM, 990-01 filing requirement and remarks.</li> </ol>

**Note:** Beginning January 2004 a Form 990-T or a payment for a Form 990-T will automatically post to account in EO Status 36 if the name control and EIN on the return or payment match the name control and EIN on Master File. A Form 990-T filing requirement will be added to the module.

3.13.12.6.18.23  
(07-05-2023)

#### EO Status Code 40

- Use Status 40 to create an EO section for a return marked with SS 03, 04, 09, 17 or 29 that has not been granted an exemption at the time a return is filed.
- If Forms 990 (SS 03, 04, 09, 17 or 29) or Forms 990-PF (other than 4947(a)(1)) are received and research doesn't reveal an exemption, use Status 40. If a BMF FRC for Forms 1041, 1065 or 1120 is on the BMF account, zero out the applicable FRC.
- Add the EO account to BMF through IDRS with CC EOREQ/EOCHG.

If	Then
The account isn't on the BMF	<ol style="list-style-type: none"> <li>Input a TC 000 with Doc. Code 63 to establish the account.</li> <li>Input a TC 016, Doc. Code 80, Definer Code B, posting delay of 1 (to allow the TC 000 to post first), Status Code 40/date (using the current year and month), FYM (if no FYM indicated use 12) and remarks.</li> </ol>
The account is on the BMF	Input a TC 016, Doc. Code 80, Definer Code B, Status Code 40/date (using the current year and month), FYM (if no FYM indicated use 12) and remarks.

3.13.12.6.18.24  
(09-20-2023)

#### EO Status Codes 41 and 42

- Status Code 41** ("Failed to Reply to Solicitation for Application") is for IRC 501(c)(3), (4), (9), (17) and (29) organizations that have finished the Status 40 process. When an EO section is added with "Status 40", the organization is issued a CP 120, Confirmation of Tax-Exempt Status, which states a tax-exempt return was filed, but our records don't show they are tax-exempt and an application for exemption is solicited. If the organization doesn't apply and

receive a formal exemption, the account will be updated to Status Code 41 and a Form 1041 or Form 1120 filing requirements is added. When manually inputting this status, a filing requirement for **Form 1041 or Form 1120 must be input..** If an organization in Status Code 41 or 42 files a subsequent return, process as follows:

If	And	Then
The return is unprocessable and the subsection on the return is other than 03, 04, 09, 17 or 29	The organization filed a Form 990/990-EZ or 990-T	<ol style="list-style-type: none"> <li>Research EDS for a recent determination..</li> <li>If there's a valid determination, update the account with the information from EDS, and send the return for processing.</li> <li>If there's a pending application or no information on EDS or the application was denied, establish the EO Section with CC EOREQ, TC 016, Doc. Code 80, Definer Codes AB, subsection (as indicated on the return), classification code 1, Status Code 36 (using the current month and year as the status date), FYM, remove the Form 1041/1065/1120 filing requirement (if present), 990&gt;01 filing requirement, 990-T&gt;1 filing requirement (for a 990-T filing) and remarks.</li> <li>Send the return for processing.</li> </ol>



If	And	Then
The return is unprocessable and the subsection on the return is 03, 04, 09, 17 or 29	The organization filed a Form 990/990-EZ/990-PF/990-T	<p>a. Research EDS for a recent determination.</p> <p>b. If there's a valid determination, update the account, with the information from EDS, and process the return.</p> <p>c. If there's a pending application, update the account back to status 40 (see note) and send the return for processing.</p> <p>d. If there's no information on EDS, or the application was denied, and the established date of the EIN is greater than 27 months, send the return back to the filer, using the appropriate letter, telling them our records show they don't have tax-exempt status and are required to file Form 1120.</p> <p>e. If there's no information on EDS and the established date of the EIN is 27 months or less, update the EO Status Code to 40 (see note) and process the return.</p> <p><b>Note:</b> IDRS won't allow an update from status 41 to status 40; therefore, a TC 022 must be input first to remove the current EO section. Action to re-establish the EO section with status 40 should be input with a posting delay of 1.</p> <p>f. If the organization filed a Form 990-PF, research EDS for a valid determination. If research doesn't show a pending application, send the return back to the filer and tell them our records show they are required to file Form 1120.</p> <p><b>Note:</b> If the established date of the EIN is 27 months or less, update the EO Status Code to 40 and process the return.</p> <p>g. If the organization filed a Form 990-T and the subsection on the return is 03, 04, 09, 17 or 29, input a TC 016 Doc. Code 80 Definer Codes AB to update the EO Status to 31 and remove the Form 1041/1065/1120 FR. Input a second TC 016 with a cycle delay to post after the first 016 to update the EO Status to 99 and add the Form 1041/1065/1120 FR (and any other FRs like Form 940 or Form 941) back onto the module.</p>



If	And	Then
The name on the return indicates the organization is a federal credit union		<ol style="list-style-type: none"> <li>Verify the status at <i>NCUA</i>.</li> <li>Ensure the status on the website is for a Federal Credit Union (FCU) and not listed only as a Federally Insured State Credit Union (FISCU).</li> <li>If the account is a FCU, input a TC 016, Definer Codes ABC, subsection 01, classification code 1, status 01 (using the current month and year as the status date), FYM, 990&gt;07 filing requirement and remarks.</li> <li>If the account isn't located on the website or is listed only as an FISCU, update the account to status 36, subsection code 14 with 990–01 filing requirements.</li> </ol>

- (2) **Status Code 42** was used by EO Entity when an extension of time to file is received from an organization that doesn't have an exemption. EO Entity receives these extensions as unprocessable documents. EO Entity used Status 42 to post a payment received prior to the posting of the organization's first EO return; the payment will unpost as a UPC 366. Status 42 is no longer used.

3.13.12.6.18.25  
(01-01-2022)

**EO Status Codes 70-72**

- (1) **Status Code 70** ("Exemption Denied") is input by Cincinnati when, on the merits of the application, an exemption cannot be granted. This status will generate a Form 1120 filing requirement of 01.
- (2) **Status Code 71** ("Failed to Establish and Incomplete Form 1023/1023-EZ/1024/1024-A") is input by Cincinnati when the application is incomplete and a request for the information was not received. This status will generate a Form 1120 filing requirement of 01. If the Form 1120 filing requirement is missing, add the FR to the account.
- (3) **Status Code 72** ("Refusal to Rule") is input by Cincinnati when the applicant is unable to furnish a detailed description of its planned activities. This description would clearly indicate whether the organization was exempt or not. This status will generate a Form 1120 filing requirement of 01.

3.13.12.6.18.26  
(01-01-2022)

**EO Status Code 97**

- (1) **Status 97** is automatically updated on IDRS when an organization fails to file a Form 990 or 990–PF for three consecutive years. This status will automatically generate a Form 1120 filing requirement.
- (2) An account in Status 97 is required to file Form 1120 or re-apply for tax exempt status by filing Form 1023, 1023-EZ, 1024 or 1024-A and paying all applicable fees.

**Note:** See IRM 3.13.12.11.4 for further instructions.

3.13.12.6.18.27  
(09-20-2023)

**EO Status Codes 98 and 99**

- (1) **Status 98** is input by EO Entity when an organization is identified as a terrorist organization by National Office. This status will automatically generate a Form 1120 filing requirement. When an organization in status 98 files an exempt organization return, it will unpost.

- (2) **Status 99** is input by EO Entity when an organization in EO Status 22, 41, 70-72 files another exempt organization return and they still don't have an exemption. The status will automatically generate a Form 1120 filing requirement.
  - a. Research EDS to determine if the organization has filed a new application for exemption is pending on EDS. If new application is pending, input a TC 016 Definer Code B to update the Status Code to 40 and remove the Form 1120 filing requirement.
  - b. If EDS shows an F case, input a TC 016 Doc. Code 80 Definer Codes AB to remove the 1120 filing requirement and add the information on EDS to Master File.
  - c. If EDS doesn't show a good exemption, send the return back to the organization using the appropriate letter for Status 41, 22, 70-72 organizations.
- (3) If a return is received and the current status is 99, research EDS to determine if the organization has filed an application for exemption:
  - a. If an application is pending, input a TC 016 Definer Code B to update the Status Code to 40 and remove the Form 1120 filing requirement.
 

**Note:** You may need to input a TC 022 to remove the current EO section before updating to status code 40.
  - b. If there's an F case, update the EO section per the EDS information.
  - c. If there's no EDS information, send the return back to the organization, using the appropriate letter, stating we have no record that the organization has applied for and received tax-exempt status.

3.13.12.6.19  
(01-01-2022)  
**Ruling Date**

- (1) When inputting the **Ruling Date (RD)** with CC EOREQ/EOCHG and the Document Code is either 80 or 81:
  - a. A ruling date is the date when the exemption was issued to the organization.
  - b. The pilot voucher has this date for all subordinates of a group.
  - c. A ruling date for individual exemptions can be found on EDS, or on the original exemption letter and on the entity EO section.
  - d. The date is input as YYYYMM.
- (2) If the Document Code is 80, the TC must be 016 and the Definer Code must be C.
- (3) If the Document Code is 81, the TC must be 016 and the Definer Code must be C or D.

3.13.12.6.20  
(01-01-2022)  
**Activity Code**

- (1) When inputting the **Activity Code (AC)** with CC EOREQ/EOCHG and the Document Code is either 80 or 81:
  - a. For Document Code 80, the TC must be 016.
  - b. For Document Code 81, the TC must be TC 016.
- (2) The following subsection codes can have only one three digit activity code as follows:

Subsection	Activity Code
22	931
70	990
90	928
91	909
92	909
93	234

- (3) Activity Code 990 is used for Status 70-72.
- (4) For further information, see IRM 2.4, IDRS Terminal Input.

3.13.12.6.21  
(01-01-2022)  
**Deductibility Code**

- (1) When inputting the **Deductibility Code (DY)** and **Year** with CC EOREQ/EOCHG and either Document Code 80 or 81:
- For Document Code 80, the TC must be 016.
  - For Document Code 81, the TC must be 016.
- (2) The first position of the DY must be:
- 1 for deductible,
  - 2 for non-deductible, or
  - 4 for foreign deductible.
- (3) The second through the fifth position is the year and is input as YYYY.
- If the Deductibility Code is 1 or 4, enter the effective date as the YYYY.
  - If the Deductibility Code is 2, enter the 0000 (zeros) for the YYYY.
- (4) If the Subsection Code is input, it must be as follows:

If	Then
Doc. Code is 80 and DY is 1YYYY or 4YYYY,	SS must be 01, 03, 04, 08, 10, 13, 19, 50, 60 or 70.
Doc. Code is 81 and DY is 1YYYY,	SS must be 01, 03, 04, 08, 10, 13, 19, or 70.

**Note:** If the deductibility code is missing from a Form 2363-A, contact with Cincinnati must be made to correct the Form 2363-A. The TE will notify the Lead who will contact the TE/GE Analyst with oversight. The TE/GE Analyst will contact Cincinnati to get the correct deductibility code.

3.13.12.6.22  
(01-01-2022)  
**From GEN**

- (1) When inputting the **From GEN (FG)** with CC EOREQ/EOCHG and Document Code is either 80 or 81:
- TC must be 016.
  - From GEN is a four digit number between 0001–9998.

- c. Use From GEN when changing a GEN or when updating a group exemption.

(2) From GEN is used when:

- Changing a GEN,
- Updating a group exemption, or
- An affiliation code change is being made to a parent and Definer Code C or F must be used.

3.13.12.6.23  
(01-01-2022)  
**New GEN**

- (1) When inputting the **New GEN (NG)** with CC EOREQ/EOCHG and Document Code is 80:
  - a. The TC must be 016.
- (2) When **TC 016 with Document Code 80** is input, the following items must be input:
  - a. Definer Code C must be input.
  - b. If the NG is 9999, the From GEN must be input and the Affiliation Code must be 1, 2, or 3.
  - c. If NG is 0002–9998, the AF must be 6, 7, 8, or 9.
- (3) A New GEN is assigned to a new exemption. See IRM 3.13.12.12 for information on group rulings.

3.13.12.6.24  
(01-01-2022)  
**File Folder Number**

- (1) When inputting the **File Folder (FF)** with CC EOREQ/EOCHG and the Document Code is either 80 or 81:
  - a. If the Document Code is 80, the TC must be 016.
  - b. If the Document Code is 81, the TC must be 016.
  - c. The file folder number is generated on EDS when the file is created. It is based on location and the current julian date.

3.13.12.6.25  
(01-01-2022)  
**Pension Plan**

- (1) When inputting the **Pension Plan (PP)** with CC EOREQ/EOCHG and the Document Code is either 80 or 81:
  - a. Valid range is 1, 2, or 9.
  - b. If the Document Code is 80, the TC must be 016.
  - c. If the Document Code is 81, the TC must be 016.
- (2) If the Document Code is 81, the following items must be present:
  - a. Definer Code must be D.
  - b. PP must be 2.
- (3) To delete a pension plan, input 9.

3.13.12.6.26  
(01-01-2022)  
**Advance Ruling Date**

- (1) When inputting the **Advance Ruling Date (AD)** with CC EOREQ/EOCHG and the Document Code is 80:
  - a. TC must be 016.
  - b. The AD is input in YYYYMM format.
  - c. The AD cannot be prior to the current input date.
  - d. To delete the AD, input 999999.

3.13.12.6.27  
(01-01-2022)  
**Large Case**

- (1) When inputting the **Large Case (LC)** with CC EOREQ/EOCHG and the Document Code is 80:
- TC must be 016.
  - Valid input is 1, 2, 9.
  - To delete a LC, input a 9.

**Note:** The LC field isn't entered by Entity Control. It must be input by Cincinnati.

3.13.12.6.28  
(01-01-2022)  
**Employment Code**

- (1) BMF Employment Codes are A, C, F, G, I, M, Q, S, T, and W.

Code	Type of Employer
A	A government agency acting as an employer's fiscal agent under IRC 3504
C	Church or Church-controlled organization filing Form 8274 (not subject to FICA or FUTA)
F	Federal Employer
G	State or Local Government Agency
I	Indian Tribal Governments
M	Maritime Industry
Q	Quasi-governmental Entity
S	Foreign Subsidiary
T	State or Local Government Agency covered under IRC 218 agreement
W	IRC 501(c)(3) Non-profit Organization (Not subject to FUTA)
Z	Federal Credit Union - Liable for Form 940

**Note:** For additional information on Employment Codes see IRM 3.13.2.6, BMF Employment Codes (ECs).

- (2) Input of a "9" in the **EMPLMNT-CD>** field deletes any existing employment code.
- (3) Except for Job Corps and Volunteers in Service to America, Economic Opportunity Act (EOA) programs are carried out by state and local governmental entities or private non-profit organizations through grants or contracts with the Federal Government. When new entities are formed to carry out EOA projects they will be state or local government entities or non-profit organizations. Examples of EOA employers are as follows:
- Anti-Poverty Programs
  - Community Action Programs
  - Head Start Programs
  - Neighborhood Youth Corps
  - Public Law 88-452
  - Economic Opportunity Act, Office or Program
  - Work Study or Work Training Program

- Youth Conservation Corps (YCC)
  - Job Corps
  - Volunteers in Service to America
- (4) Government entities with employment codes A, F, G, Q or T are not required to file Form 990. Government entities may file Form 990-T. To establish the submodule research EDS or place account in a status that is applicable for filing Form 990-T.
- (5) When inputting the **Employment Code (EC)** with CC EOREQ/EOCHG and the Document Code is 80:
- a. TC must be 016, and
  - b. Valid ECs are S, W, M, or 9.
- (6) If input EC is W:
- a. FRC for Form 941 must be 01 or 07, if input.
  - b. SS must be 03, 50, 60, or 70, if input.
  - c. and Doc. Code is 80, the Status Code must be 01-03, 07, 10 or 11, if input.
- (7) Programming was added to restrict the input of employment codes A, F, G, Q & T to employees in the Federal, State and Local Governments & Employment Tax (FSL/ET) functions. Send cases that need input of those restricted government employment codes to FSL/ET for input. Perform all needed actions except the input of the employment code, then send a request to add the appropriate employment code to the FSL/ET Section 218 Coordinator via EEFax (855) 243-4014.

3.13.12.6.28.1  
(01-01-2022)

**Employment Code A**

- (1) Employment Code A is used by TE/GE Government Entities for government fiscal agents who file Form 940 for employers who are not associated with government agencies. Form 940 and Form 941 filing requirements may be added. Employment Code A is restricted and cannot be assigned by Entity. Send cases that need input of EC A to FSL/ET for input. Perform all needed actions except the input of the EC, then send a request to add EC A to the FSL/ET Section 218 Coordinator via EEFax (855) 243-4014.

3.13.12.6.28.2  
(01-01-2022)

**Employment Code C**

- (1) A TC 070 posted to churches or qualified church-controlled organizations that have filed Form 8274, Certification by Churches and Qualified Church Controlled Organizations Electing Exemption from Employer Social Security and Medicare Taxes, generates an Employment Code C.

**Note:** IRM 3.13.12.17.2 for processing.

3.13.12.6.28.3  
(01-01-2022)

**Employment Code F**

- (1) **This code is only assigned to agencies of the United States.**
- (2) Entity cannot assign Employment Code F. Send cases that need input of EC F to FSL/ET for input. Perform all needed actions except the input of the EC, then send a request to add EC F to the FSL/ET Section 218 Coordinator via EEFax (855) 243-4014.

3.13.12.6.28.4  
(01-01-2022)

**Type of Employment  
Code F Organizations**

- (1) Employment Code F is assigned to an executive department of the government or component agency of the government such as:
  - Department of State
  - Department of the Treasury
  - Department of Defense
  - Department of the Army
  - Department of the Navy
  - Department of the Air Force
  - Department of Health and Human Services
  - Department of Education
  - Department of the Interior
  - Department of Commerce
  - Department of Labor
  - Department of Transportation
  - Department of Housing and Urban Development
  - Department of Justice
  - Department of Agriculture
  - Department Veteran's Affairs
- (2) Employment Code F is assigned to an agency of the U.S. Government that isn't part of any executive department or its components at the National Headquarters or in the field such as:
  - U.S. District Court
  - U.S. Court of Appeals
  - U.S. Tax Court
  - General Services Administration
  - U.S. Atomic Energy Commission
  - Federal Trade Commission
  - Government Accountability Office
  - Office of Economic Opportunity
  - Federal Power Commission
  - U.S. Small Business Administration
  - Library of Congress
  - Interstate Commerce Commission
  - Veterans Administration
  - Smithsonian Institution
  - Securities and Exchange Commission
  - National Aeronautics and Space Administration
- (3) Employment Code F is assigned to a corporation, created by law, that performs a governmental function and is wholly or principally owned by the U.S. Government:
  - Federal Deposit Insurance Corporation
  - U.S. Postal Service
  - Tennessee Valley Authority
  - Federal Reserve Board

**Exception:** Individual Regional Federal Reserve Banks that are employment code "Q".

  - Federal instrumentalities such as Army and Air Force Post Exchange, Navy or Coast Guard Ship Stores, and Army and Air Force Motion Picture Services and the Navy Counterpart



- (4) Employment Code F is assigned to organizations that are closely connected to, but not an official part of the U.S. governmental establishment. Following strict standards, these organizations conduct financial, social, morale or house-keeping activities such as:
- Officer's Clubs
  - Enlisted Men's Club
  - NCO Clubs
  - Officer's Open Messes
  - NCO's Open Mess
  - Billeting Funds
- (5) Before Employment Code F can be assigned to the organizations referred to in paragraph (4) above, obtain a statement from the Post, Camp, Station or Base Commander, Ambassador or Head of Mission stating the following:
- a. The activity exists to promote the morale, comfort and well being of members of the Armed Forces, authorized civilians or embassy staff.
  - b. The activity is supported by an authorized non-appropriated fund as prescribed by the applicable regulations of the Service concerned.
  - c. The activity is authorized by the Post, Camp, Station, Base or Major Command Commander, Ambassador or Head of Mission and is supervised by him or her.
  - d. The activity's supervision by the official includes a periodic audit of financial records, or an audit is regularly performed by a higher authority as prescribed by the appropriate service regulations.
  - e. If the taxpayer doesn't provide this documentation, employment code F cannot be assigned to the entity.

3.13.12.6.28.5  
(01-01-2022)

**Not Type of Employment  
Code F Organizations**

- (1) Employment Code F is not assigned to the following:
- A state or local entity such as a state, county, city, town, school, authority, district as described in IRM 3.13.12.6.28.7.
  - A Federal Credit Union that should be coded employment code Z.
  - A foreign entity that isn't clearly associated with the US government overseas operations, generally Department of State, embassies or military installations.
  - Any religious, fraternal or benevolent organization.
  - Veterans organizations and related auxiliaries such as Veterans of Foreign Wars (VFW), American Legion, American Veterans (AMVETS) organizations and Disabled American Veterans (DAV).
  - Any ethnic or tribal organization; i.e., Indian tribe, tribal council, etc.
  - Any private corporation or business entity that has in its name words such as "U.S., United States, Federal or Government".

3.13.12.6.28.6  
(01-01-2022)

**Questionable  
Employment Code F  
Organizations**

- (1) If the employment code can't be determined or is a questionable Employment Code F organization, do the following:
- a. Research the account as necessary
  - b. Contact the organization to clarify its status
- (2) If the organization is determined to be a true Employment Code F organization, remove any erroneous filing requirements such as Form 1120, Form 1065, etc.



- (3) If the organization is determined to not be a true Employment Code F organization, process as follows:
  - a. Remove any erroneous filing requirements.
  - b. Remove the “F” code.
  - c. Establish the entity with the correct filing requirements. Ensure the organization doesn’t have another EIN established for the same “F” code entity.

3.13.12.6.28.7  
(01-01-2022)

**Employment Code G**

- (1) Employment Code G is assigned to all state and local government agencies.
- (2) Employment Code G assignment is restricted. Entity cannot assign employment code G. Send cases that need input of EC G to FSL/ET for input. Perform all needed actions except the input of the EC, then send a request to add EC G to the FSL/ET Section 218 Coordinator via EEFax (855) 243-4014.
- (3) Employment Code G is applicable to the following organizations:
  - State or commonwealth
  - Agency, bureau, or department of a state or commonwealth
  - County
  - Agency, bureau, board, or department of any such county
  - Municipality, town, village, ownership or any like unit of local government
  - Agency of a local government, such as a school district, board of education, public school, sanitation district, transit authority, welfare department, housing authority, cemetery, soil or water conservation district, water district, community service district health department, etc.
- (4) If a state or local government instrumentality requests and receives an exemption under IRC 501(c)(3), the Employment Code remains a G.

3.13.12.6.28.8  
(01-01-2022)

**Employment Code I**

- (1) Employment Code I is assigned to Indian Tribal Governmental (ITG) entities. National Office ITG will determine if an entity requires an EC I. If so, verify the BOD Code is TE. Update the BOD Client Code to I. Add a Form 940 FR of either 3 (compliant) or 4 (non-compliant) at the time the EC I is added. National Office ITG will determine whether the tribe is compliant or non-compliant. There is no need to forward any information to National Office.
- (2) If an Indian Tribal Governmental entity also has an IRC 501(c)(3) exemption, the Employment Code must be W with no Form 940 filing requirement.
- (3) If Master File research indicates the EO Status is 41 or 70-72, treat the entity as if they are a “regular” ITG entity with a BOD Code of TE, EC of I, BOD Client Code of I or 1, and a Form 940 FR of 3 or 4.
- (4) If the EO Status is 40 or 42, the BOD Code should be TE, make no changes to the EC, BOD Client Code or filing requirements. If the EO Status was in 40 for several years and the organization is continuing to file Forms 941 only and there is no “I” case on EDS, update the EO Status to 41 and treat as a “regular” ITG entity.

3.13.12.6.28.9  
(01-01-2022)

**Employment Code M**

- (1) Assign this code to maritime industry entities that have made payments for employment taxes not yet reported. This situation arises when a shipping company estimates liabilities and makes payments; however, the actual liability is reported on a supplemental Form 941 filed at the termination of the voyage.

3.13.12.6.28.10  
(01-01-2022)

**Employment Code S**

- (1) Assign Employment Code S to a domestic business that has applied for another EIN to extend social security coverage to certain employees of its foreign affiliates by filing Form 2032, "Contract Coverage under Title II of the Social Security Act as Amended". Don't establish a Form 940 FRC for these entities.

3.13.12.6.28.11  
(01-01-2022)

**Employment Code T**

- (1) This code is never to be assigned from Form SS-4.
- (2) Employment code T is strictly controlled by FSL/ET and should never be assigned outside that unit. All 218 Agreements, modifications and dissolutions are currently required to be sent directly to FSL/ET CPM from the state social security administrators and regional social security administration offices.
- (3) If any such documents are received at the campus they should be sent directly to FSL/ET for action.
- (4) Send case via fax to the FSL/ET EEFax (855) 243-4014.

3.13.12.6.28.12  
(01-01-2022)

**Employment Code W**

- (1) Assign Employment Code W and a Form 941 FR of 01 to non-profit organizations with employees of the type described in IRC 501(c)(3), 501(e), 501(f), 501(k) and 501(n) of the IRC. IRC 501(c)(3) organizations are operated exclusively for religious, charitable, scientific, literary, educational, or humane purposes, or for the purposes of testing for public safety.
- (2) IRC 501(c)(3) organizations are not subject to FUTA. They are also not subject to FUTA tax during the application for exempt status. Apply FUTA tax if it is determined an application for exempt status has not been submitted.
- (3) A church has an IRC 501(c)(3) status but doesn't officially have to file an application for exemption. If the facts and circumstances indicate that the organization holds itself out as a "church" or house of worship, assign an EC W.

3.13.12.6.29  
(01-01-2022)

**Fiscal Year Month**

- (1) The fiscal year month (FYM) is a two digit code of 01 through 12. It's the month in which the fiscal year of the entity ends.
- (2) Input the FYM on all Exempt Organization returns which can be any month.

**Exception:** Forms 5227 filed by Non-exempt Charitable Trusts under IRC 4947(a)(2) must have an FYM of 12, unless filing a final return.

- (3) Input the month indicated by the organization.
- (4) If no FYM is indicated, enter:
  - a. the month preceding the date the business was acquired,
  - b. the month preceding the date wages or annuities were paid, OR
  - c. the month preceding the current month.

**Exception:** Forms 5227 filed by Non-exempt Charitable Trusts under IRC 4947(a)(2) must have an FYM of 12, unless filing a final return.

- (5) If a Form 1128, Application to Adopt, Change or Retain a Tax Year, is received with a Form SS - 4, see IRM 3.13.12.18.
- (6) When inputting the **Fiscal Year Month (FYM)** with CC EOREQ/EOCHG and the Document Code is 80 or 81:

If	Then
Doc. Code is 80,	TC must be 016.
Doc. Code is 80 and a positive FRC is input for Forms 990, 990-C/1120-C, 990-PF, 990-T, 1041, 1065, 1120 or 5227,	FY must be input.
Doc. Code is 81,	TC is 016. Don't input an FY unless it is intended that all subordinates are to have the same FY.
FRC is for Form 5227,	FYM must be 12.

3.13.12.6.30  
(09-20-2023)  
**National Taxonomy of Exempt Entities Codes**

- (1) When inputting the **National Taxonomy of Exempt Entities Code (NTEE)** with CC EOREQ/EOCHG and the Document Code is 80 or 81:
  - a. If Document Code is 80, the TC must be 016.
  - b. If Document code is 81, the TC must be 016.
- (2) The NTEE code is identified on EDS as "Taxonomy Cd".
- (3) Refer to IRM 2.4.10, Command Codes EOREQ and EOCHG, Exhibit 2.4.10-2, Command Code EOCHG, Record Element Description for NTEE on how to input.

3.13.12.6.31  
(01-01-2022)  
**Remarks**

- (1) When inputting the **Remarks (RM)** with CC EOREQ/EOCHG and the Document Code is 80 or 81, it is:
  - A required field for all EOCHG transactions.
  - Variable; i.e., it must be at least 10 but not more than 35 characters in length.
- (2) Remarks should be written to leave a history for future reference.

3.13.12.6.32  
(01-01-2022)  
**Filing Requirements**

- (1) Use TC 016, Document 80, to add a Filing Requirement Code (FRC) to the BMF. The validity and consistency checks will be performed when the input FRC is positive; i.e., greater than zero.

- (2) To delete an EO FRC, use Document Code 80 or 63. If the input is only to delete a BMF FRC, use CC BNCHG. No definer code is necessary as long as the only change being made is to delete the FRC. However, if you are using CC EOCHG and the only action is to delete/add/change an EO FRC, the input must be as follows:
  - a. Document Code must be 80.
  - b. TC must be 016.
  - c. Definer Code must be A.
  - d. Remarks must be input.
  - e. Input zero in FRC being deleted.
- (3) Add 990 filing requirements as follows:
  - a. If the 990 return indicates gross receipts greater than \$50,000, update the 990 filing requirements to 990-01.
  - b. If the 990 return indicates gross receipts less than \$50,000, update the 990 filing requirements to 990-02.
  - c. If there is no indication or unable to determine gross receipts, update the 990 filing requirements to 990-02.

**Note:** Never use CC EOCHG to delete or update a Form 990-T, or a non-EO FRC, unless there is an EO Section already on the BMF, or you are adding an EO Section for the first time.

- (4) Always input the fiscal year month if the FRC is for Forms 990/990-EZ, 990-C/1120-C, 990-PF, 990-T, 5227, 1041, 1065 or 1120.

3.13.12.6.32.1  
(01-01-2022)  
**Form 941 FRC**

- (1) The validity and consistency checks for Form **941 FRC** are as follows:
  - a. Valid input codes are 00, 01 or 07.
  - b. If Document Code is 80, the TC must be 000, 012 or 016.

3.13.12.6.32.2  
(01-01-2022)  
**Form 940 FRC**

- (1) The validity and consistency checks for Form **940 FRC** are as follows:
  - a. Valid input codes are 0, 1, 2, or 7.
  - b. If Document Code is 80, the TC may be 000, 012, or 016.
  - c. If the FRC is 1 or 2, then a 941 FRC of 01 or a 943 FRC of 7 must be input.
  - d. The Employment Code must **not** be W.

3.13.12.6.32.3  
(01-01-2022)  
**Form 942 FRC**

- (1) If a Form **942 FRC** is input, it must be 0.

3.13.12.6.32.4  
(01-01-2022)  
**Form 943 FRC**

- (1) The validity and consistency checks for Form **943 FRC** are as follows:
  - a. Valid input codes are 0, 1, or 7.
  - b. If the Document Code is 80, the TC may be 000, 012, or 016.

3.13.12.6.32.5  
(01-01-2022)  
**Form 966, Corporate  
Liquidation or  
Dissolution**

- (1) If Form 966 is received, process per instructions in IRM 3.13.2.25, Form 966 - Corporation Dissolution or Liquidation.

3.13.12.6.32.6  
(01-01-2022)  
**Form 1120 FRC**

- (1) The validity and consistency checks for Form **1120 FRC** are as follows:
- Valid input codes are 01, 03, 07, or 09.
  - Fiscal year month must be input.
  - If Form 1120 FR is 01, 03, 04, 07, or 09, then the TC must be 012 or 016.
  - If the Status Code isn't 41 or 70-72, then Transaction Definer Code A must be input.
  - The subsection code must be input. The chart below shows the valid combinations of Form 1120 FRs. and subsection codes as well as any additional consistency checks.

1120 FR	SS CD	990 FR	990-PF FR	990-C FR	TF CD
01	03		1		03 or 04
01	12	01			
03	12	01			
04	15	01			
09	01, 02, 04-23, 50, 60, 70, or 82				

3.13.12.6.32.7  
(01-01-2022)  
**Form 1065 FRC**

- (1) Validity and consistency checks for Form **1065 FRC** are as follows:
- Valid input codes are 0 or 1.
  - If Form 1065 FR is 1, then the Doc. Code must be 80.
  - The TC must be 000, 012, or 016.
  - If TC is 012 or 016 and SS is 02-23, 50, 60, or 70, then Transaction Definer Code A must be input.
  - If the SS is 99, or isn't entered, then the Status Code must be 07, 10 or 11.

3.13.12.6.32.8  
(01-01-2022)  
**Form 1041 FRC**

- (1) Validity and consistency checks for Form **1041 FRC** are as follows:
- Valid input codes are 0, 1, or 2.
  - If Form 1041 FRC is 1 or 2, then the Document Code must be 80.
  - Fiscal year month must be input.
  - If the Status Code isn't 41 or 70-72, then the Transaction Definer Code A must be input.
  - If SS is 90, then the Form 5227 FR must be 1 or 2.
  - If SS is 91, then the Form 990 FR must be 01 or 02.
  - If SS is 92, then the Form 990-PF must be 1.

3.13.12.6.32.9  
(01-01-2022)  
**Form 5227 FRC**

- (1) Validity and consistency checks for Form **5227 FRC** are as follows:
- a. Valid input codes are 0, 1, or 2
  - b. The Document Code must be 80.
  - c. The Subsection Code must be 90.
  - d. Fiscal year month must be 12.
  - e. The TC must be 000, 012, or 016.
  - f. If the TC is 016, the Definer Code A must be input.

3.13.12.6.32.10  
(01-01-2022)  
**Form 990 FRC**

- (1) Validity and consistency checks for Form **990 FRC** are as follows:
- a. Valid input codes are 01, 02, 03, 04, 06, 07, 13 or 14.
  - b. If Form 990 FR is 01, 02, 03, 04, 06, 07 or 13, then the Document Code must be 80 or 81.
  - c. If the Document Code is 81, the TC must be 016 and Definer Code must be D.
  - d. If the Document Code is 80, the TC must be 016 and Definer Code must be A.
  - e. The subsection code must be consistent with the 990 FR. The chart below shows the valid combinations of Form 990 FR and subsection codes as well as any additional consistency checks.

990 FR	SS Code	Status Code	Found Code	Class Code
01	02, 04-19, 22, 23, 24, 25, 50, 60, 70 or 91			
01	03		09-18, 21-25	
02	02, 04-19, 22, 23, 24, 25, 50, 60, or 91			
02	03		09-18, 21-25	
03	02, 04-19, 23, or 70			
03	03		09-18, 21-25	
04	21			
06	03		10	
06	Must be in 99 or not input	07, 10 or 11		
07	01	11		
13	03		09-18, 21-25	7
14	01, 04-19, 22-25, 50, 60			
14	03		09-18, 21-25	

3.13.12.6.32.11  
(01-01-2022)  
**Form 990-PF FRC**

(1) Validity and consistency checks for Form **990-PF FRC** are as follows:

- Valid input codes are 0 and 1, 2, or 3.
- Fiscal year month must be input.
- The SS must be 03 or 92.
- If the SS is 03, then the Foundation Code must be 03 or 04.
- The TC must be 016 with Definer Code A.

3.13.12.6.32.12  
(01-01-2022)  
**Form 990-T FRC**

(1) Validity and consistency checks for Form **990-T FRC** are as follows:

- Valid input codes are 0 and 1.
- Fiscal year month must be input.
- Document code will be 80 and the TC must be 016.
- If a Form 990 FR is input, it must be 01, 02, 04, 06, 13 or 14.
- If the 990 FR is 00 or not input, then the 990-PF FR must be 1 or the Status Code must be 06.

- f. If the SS is 02-25, 50, 60 or 70, then Transaction Definer Code A must be entered.
- g. If the SS is 99, then the Status Code must be 06, 07, 10 or 11.
- h. If the SS isn't entered, then the Status Code must be 06, 07, 10 or 11.

**Note:** Re-insurance companies may file Form 990-T to report unrelated business income beginning in January 2011. If a form 990-T is submitted by a re-insurance company, the account should be placed into status 06.

3.13.12.6.32.13  
(01-01-2022)  
**FRC – Not Required**

- (1) Validity and consistency checks for **FRC - Not Required** are as follows:
  - a. Valid input codes are 0 or 1.
  - b. NR is valid with Document Code 80 for TC 016.
  - c. If the TC is 016, then the Transaction Definer Code must be A.

3.13.12.6.32.14  
(01-01-2022)  
**Form(s) 8038, 8038-G, 8038-GC and 8328**

- (1) Forms 8038, 8038-G, and 8038-GC are filed to report issuance of tax-exempt bonds.
- (2) Form 8328 is filed to report carryforward elections of unused private activity bond volume cap under IRC section 146.
- (3) No filing requirements or EO subsection are listed on IDRS.
- (4) If these forms are received in Entity, research for the correct name and EIN.
- (5) Edit the correct name control and EIN and continue processing.

3.13.12.6.32.15  
(01-01-2022)  
**Form 8038-B**

- (1) Form 8038 - B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds, is filed by bond issuers to report information on Build America or Recovery Zone Economic Development Bonds.
- (2) No filing requirements or EO subsection are listed on IDRS.
- (3) If a Form 8038-B is received in Entity, research for the correct name and EIN.
- (4) Edit the correct name control and EIN and continue processing.

3.13.12.6.32.16  
(01-01-2022)  
**Form 8038-CP**

- (1) Form 8038-CP, Return for Credit Payments to Issuers of Qualified Bonds, is filed by bond issuers to claim a credit.
- (2) No filing requirements or EO subsection are listed on IDRS.
- (3) If a Form 8038-CP is received in Entity, research for the correct name and EIN.
- (4) Edit the correct name control and EIN and continue processing.

3.13.12.6.32.17  
(01-01-2022)  
**Form 8038-TC**

- (1) Form 8038-TC, Information Return for Tax Credit Bonds, is filed by bond issuers to report Tax Credit Bonds.
- (2) No filing requirements or EO subsection are listed on IDRS.
- (3) If a Form 8038-TC is received in Entity, research for the correct name and EIN.
- (4) Edit the correct name control and EIN and continue processing.



3.13.12.6.33  
(01-01-2022)

**BOD Code and BOD  
Client Code Changes**

- (1) Research CC INOLE or CC ENMOD to verify the Employment Code (EC) is correct. If the EC isn't correct, make the necessary change using CC BNCHG.

**Note:** The EC **must be correct** before a change to the BOD Code and BOD Client Code can be made.

- (2) There are currently six BOD Client Codes (BCC).

- B - Tax Exempt Bond (MFT 46 module only)
- F - Federal/State/Local Government (FSL)
- I - Indian Tribal Government (ITG)
- 1 - Bond issued by ITG
- 2 - Bond issued by FSL
- 3 - Bond issued by an exempt organization

- (3) The following table shows which BCC can be used with each EC:

If the EC is	Then the BCC can be
C	Blank
I	I or 1
F	F or 2
G	F or 2
T	F or 2
W	B or 3 or Blank
Blank	B or 3 or Blank

**Note:** Numeric BCCs are systematically updated when an MFT 46 is posted to the account.

- (4) To change the BOD Code or BOD Client Code:

- a. Input CC REQ77 with the EIN on the first line, MFT, plan number and tax period on the second line and the name control on the third line. For example:

REQ77 12-3456789  
00 000 000000  
XXXX

**Note:** Since there is no MFT, plan number or tax period, zeros are entered on the second line.

- b. Inputting REQ77 generates a FRM77 screen. Input the data below in the following fields:

TC>**971**  
TRANS-DT>**MMDDYYYY** (current date)  
BOD-CD>**TE**  
BCC-CD>**X** (can be either alpha or numeric)  
TC 971/151>**050**  
REMARKS> **BOD BCC CHANGE**

**Note:** Both the BOD Code and the BCC must be entered on the same TC 971 even though the BOD Code may not need to be updated. A blank BCC is an exception.

3.13.12.7  
(01-01-2022)  
**EO Consolidation of  
EINs**

- (1) This section contains procedures for consolidating accounts when an organization has more than one EIN and one or more of the EINs has an EO section on the BMF. These procedures must be followed whenever it is determined a taxpayer has more than one EIN.

3.13.12.7.1  
(01-01-2022)  
**EIN Consolidation  
Procedures**

- (1) Entity Control will receive research, correspondence, returns, unpostables, etc. from various areas within the Service that indicate a taxpayer has more than one EIN.
- (2) Consider items when researching taxpayer records to merge accounts. Consider the difference in the following:
- Name lines
  - Addresses
  - Filing requirements (ownership or business structure change)
  - Entity establishment dates. Entities established years apart may indicate different taxpayers. Final returns posted to oldest established EIN may indicate a change in officers.
- (3) To consolidate two EINs, use CC ENREQ/BRCHG, Document Code 63 and TC 011. Follow local procedures for retention.
- (4) Before any account can be consolidated, perform complete research **and have the lead sign off on the TC 011 before the transaction input.**

**Note:** No merge transcripts don't require lead approval for a TC 011.

- (5) It is imperative to verify the taxpayers are the same and to recognize account module and entity conditions that prevent a successful consolidation.
- (6) If duplicate tax modules are present, input the TC 011, suppress CP 209 by entering a "Z" in the Para-Sel-CD field on the screen.

**Note:** Consolidation of an account with duplicate tax modules will generate a no merge transcript to Accounts Management. Don't send the case to Accounts Management requesting the duplicate modules be corrected.

- (7) **When determining which EIN to retain ("TO" number),** use the following preference in this order:
1. EIN with oldest established date should remain the surviving EIN.
  2. Retain the EIN preferred by the organization.
  3. If no preference is indicated, retain the lower EIN, unless one has a Form 941 FR.
  4. If both EINs have a 941 FRC, retain the lower EIN.
  5. If one EIN isn't on the BMF, and the BMF EIN is still active, retain the BMF EIN.
  6. If the lower EIN isn't active, retain the EIN that has active filing requirements.
  7. If neither EIN is active, retain the lower EIN.

- (8) If the EIN that was consolidated (not the surviving EIN) is in Status 97 and on the auto-revocation listing on the Tax-Exempt Organization Search tool , include the EIN and name on the weekly list to have the EIN removed from the auto-revocation listing.
- (9) A CP 209 will generate to notify the organization of the correct number if the full consolidation was successful.
- (10) Send a 139C letter to the organization only if requested.
- (11) **When reviewing BMFOL or ENMOD**, use the following table to determine if a previous consolidation was initiated or if the account is inactive.

Key to Generated Consolidated Transaction Codes	
Key to Input Consolidation Transaction Codes	
Transaction Code	Action
TC 001	Carries complete account of the old (FROM) TIN to the new TIN
TC 002	Posts on the old (FROM) TIN and carries complete contents of the TC 001 carrier back to the original (FROM) TIN if name controls mismatch.
TC 003	Posts on the old (FROM) TIN and carries the duplicate tax modules only back to the original (FROM) TIN and changes all filing requirements to 8's. Shows INACTIVE account on IDRS.
TC 004	Posts on good (TO) TIN indicating duplicate module condition in attempted consolidation.
TC 005	Posts on the new (TO) TIN and posts as an 005/006 combination if consolidation is successful.
TC 006	Posts on the good (TO) TIN without the 005 if consolidation attempt is unsuccessful.
TC 008	Post on the good (TO) TIN indicating a complete consolidation was made to the good TIN above.
TC 026	Posts on the old (FROM) TIN. Account deleted. TIN changed.
TC 011	Posts to the old (FROM) TIN to change EIN of an account on Master File and prevents other postings except 002, 003 and 026.
TC 012	Account Re-established - Active
TC 020	Account Deleted

3.13.12.7.2  
(01-01-2022)

#### Conditions for No Merge

- (1) IRM 3.13.12.7.3 shows the conditions that can cause a no merge transcript and should be used to determine if the two EINs can be consolidated.
  - a. If any of the transactions listed on the chart are identified during review, don't input the TC 011 until the condition is corrected on the BMF.
  - b. Correct either the EIN that is identified to be the "FROM" account or the EIN identified to be the "TO" account.
  - c. Remember always correct the accounts so after the consolidation the "TO" account will have the proper organization identification of filing requirements, EO section, FYM, etc.
- (2) If only one account has an EO section, the Master File will retain the EO section from either number.
- (3) If both accounts have an EO section, retain the "TO" account, unless the "TO" account doesn't have a subsection code greater than zero and the "FROM" account has a subsection code greater than zero; then retain the "FROM" account EO section.

3.13.12.7.3  
(07-05-2023)

#### Merge Checks

- (1) If both accounts have an EO section with an EO status, the BMF will perform the following merge checks. If the checks fail, a "NOMRG EO" transcript will be generated.
- (2) Merge checks on the subsection (SS):
  - a. If both accounts have a subsection code, they must be the same, unless one account has a SS of 00. If one account has a SS of 00, then the Master File will retain the EO section with the SS greater than zero.
  - b. Before inputting a TC 011, correct the EO section that is wrong.
  - c. A TC 022 may be input to delete the EO section on the account that is wrong. Refer to IRM 3.13.12.6.2.6, TC 022 before inputting to determine if a TC 022 can be input. Refer to IRM 3.12.278.35, UPC 259 TC 020/022, for TC 022 unpostable conditions.

**Note:** TC 022 MUST be input prior to TC 011 when the account reflects Status Code 40 or Status Code 40 must be updated to match the EIN with a good determination. Input of TC 022 will remove the account from the Status 40 process.

- (3) The following table shows the EO entity status that must be present so the accounts can be merged.

Status Code "From" Module	Status Code "TO" Module
01 - 03	01 - 03
7, 10, 11	7, 10, 11
12	12
18	18
19	19
20, 22 - 26	20, 22 - 26
21	21

Status Code "From" Module	Status Code "TO" Module
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
40	40
42	42
41, 70 - 72	41, 70 - 72

## (4) Merge checks on the GEN:

- a. If both accounts have a GEN, they must be the same. Be sure the two accounts are the same before trying to correct the GEN.

**Examples:**

Account #1 has a GEN and Account #2 has an EO section with no GEN. These accounts will not merge because the GENs are not the same.

Account #1 has a GEN and Account #2 has a different GEN. These accounts will not merge because the GENs are not the same.

Account #1 has no GEN and Account #2 has no GEN. These accounts will merge because the GENs are the same.

Account #1 has a GEN and Account #2 has the same GEN. These accounts will merge because the GENs are the same.

## (5) Merge checks on the Affiliation Code:

- a. The only condition that will cause a merge to fail is when Account #1 has an AF of 7 or 9, and Account #2 has an AF of 6 or 8. You cannot merge a parent to a subordinate or a subordinate to a parent.
- b. **Never** input a TC 022 to the account with an AF of 6 or 8.

## (6) Merge checks on the fiscal year month:

- a. The fiscal year months must match (correct the FYM on either account to agree with the posted return tax period month).
- b. If the FYM is 00 or blank, it must be updated

3.13.12.8  
(01-01-2022)

**EO Transcripts and  
Notices**

- (1) AMS uses Correspondence Imaging System (CIS) to electronically deliver Entity transcripts on a weekly or monthly basis replacing the printed paper forms. The data is extracted and sorted by a computer program and cases are loaded into the CIS system as inventory items. The CIS system will automatically assign inventory cases to employees based on their skill codes and the number of cases in inventory. The Entity manager, lead or clerk may also manually assign transcript inventory to employees in their unit.
- (2) Assigned and unassigned cases will reside on CIS. The reports to track Entity's transcript inventories are also available on CIS.
- (3) AMS allows authorized users to resolve various taxpayer issues by providing the IRS employee the ability to view and update taxpayer accounts and case information through a common user interface. AMS can be used for many taxpayer account actions and can be used whether the taxpayer's account resides on IDRS or CADE.
- (4) Entity tax examiners can complete the following actions using AMS:
  - Research the taxpayer account
  - Activate up to 30 self-elected IDRS CCs
  - Launch into external IRS system without leaving AMS
  - Electronically record, store and retrieve nationwide case history
  - Update taxpayer address and phone numbers
  - Order forms
  - Prepare specific forms and transcripts
  - Create selected IDRS Correspondex letters
- (5) The types of taxpayer information, correction methods, and research capabilities will continue to increase with each subsequent AMS and CADE enhancement.
- (6) Work all EO transcripts using the procedures outlined in IRM 3.13.12.
- (7) All EO related transcripts include the following EO information. The inclusion of this information on the transcript will eliminate the need for additional EO research requests previously necessary to resolve the case.

Title	Print Format
EO Entity Status	EO-STAT-nn-YYYYMM
Ruling Date	RUL-YYYYMM
Classification Code	CLASS-nnnn
Affiliation Code	AFF-n
Income Code	INC-n
Foundation Code	FOUN-nn
Group Exemption Number	GEN-nnnn
Type of Organization	ORG-n
Asset Code	ASSET-n
Subsection Code	SUB-nn
File Folder Number	FFN-nn-nnnnnnn

3.13.12.8.1  
(01-01-2022)

#### General Instructions for EO Transcripts

- (1) General Instructions for EO related transcripts. The table below shows EO NO MERGE Conditions.

Name	Reason Code	Definition
Name Control	30	Different Name Controls will not merge. A CP 201 will generate
Filing Requirements	33	Incompatible FRs will not merge. A CP 202 will generate. If the <b>TO</b> account is all 8s (Inactive account), a CP 200 will generate.
EIN NOMRG - FYM		Different FYMs will merge on a BMF merge, but entities with EO submodules require them to be the same. MCC Transcripts are generated.
Subsection NOMRG - SS	22	Different subsections will not merge. However, if one entity has a subsection and the other is blank, they will merge. MCC Transcripts are generated.

Name	Reason Code	Definition
GEN NOMRG - GEN	24	Different GENs will not merge. If one module has a GEN, the other module must have the same GEN. MCC Transcripts are generated.
STATUS NOMRG - STAT	23	All status conditions will not merge. An information table on status merges is shown in IRM 3.13.12.7.3. MCC Transcripts are generated.
Affiliation Codes NOMRG - AF	25	Parents and subordinates should not be consolidated. An affiliation code of 6 or 8 will not merge with a 7 or 9. MCC Transcripts are generated.

**Figure 3.13.12-1**

- a. Perform research on all cases to determine if a true error was made, or if an error was made in transcribing the information.
- b. If the error was in transcription, make the necessary entity change following normal procedures.
- c. If a true error exists, research EDS for an open case. If there is an open case, telephone the determination agent assigned to the case. Inform the agent of the discrepancy. If necessary, forward the case to the agent assigned to the case. Notify the organization of the transfer of the case.
- d. If there is no open case on EDS, research IDRS (CC INOLE, CC BMFOLO, CC BMFOLE). If the amended organizing documents were submitted.
- e. If the amended organizing documents were submitted, send the documentation to Cincinnati campus. The notation on the Form 3499 should state "Establish as a T (termination) or A (amendment) case."
- f. If the amended organizing documents were not submitted, advise the organization of the information needed to merge the account. Request the organization send the documents to Cincinnati campus.



3.13.12.8.2  
(01-01-2022)  
**EO No Merge  
Transcripts**

- (1) The following transcripts are generated when an attempt to merge accounts containing EO data fails:
  - NOMRG - SS
  - NOMRG - STAT
  - NOMRG - GEN
  - NOMRG - AF
  - NOMRG - FYM
- (2) No merge transcripts don't require lead approval for a TC 011.

3.13.12.8.2.1  
(01-01-2022)  
**NOMRG - SS**

- (1) **NOMRG - SS** transcript is generated when the current subsection codes are different (RC22).
  - a. Research EDS to determine if the subsection code was recently changed. If the SS was changed, request the source document to determine if the change was made correctly. If the "FROM" and "TO" accounts are the same entity, input a TC 016, Doc. Code 80, to update the subsection code and re-input the merge transaction.
  - b. If it appears each account has a valid subsection code, follow the general instructions above.

3.13.12.8.2.2  
(01-01-2022)  
**NOMRG - STAT**

- (1) **NOMRG - STAT** transcript is generated when the "FROM" and "TO" accounts have incompatible EO status codes (RC23).
  - a. For incompatible status codes, see UPC 358 in IRM 3.12.278.31, UPC 358 Incompatible EO Status.
  - b. Perform necessary research and make necessary changes as indicated in paragraph 3.13.12.7.3(4) above.

3.13.12.8.2.3  
(01-01-2022)  
**NOMRG - GEN**

- (1) **NOMRG - GEN** transcript is generated when both accounts have EO status and an attempt is made to merge accounts with different GENs (RC24).
  - a. Research CC EOGEN to determine the correct GEN. Input a TC 016, Doc. Code 80 to change the GEN when the correct GEN can be determined.
  - b. If the correct GEN cannot be determined, the accounts may be different entities. One entity could be a new parent that was being erroneously merged with a subordinate. Follow the general instructions above.

3.13.12.8.2.4  
(01-01-2022)  
**NOMRG - AF**

- (1) **NOMRG - AF** transcript will generate when one account has an affiliation code of 6 or 8 (parent) and the other account has an affiliation code of 7 or 9 (subordinate) (RC25).
  - a. Perform all necessary research on EDS or IDRS and make changes as required.
  - b. If the NOMRG condition cannot be resolved, follow the general instructions given above.

3.13.12.8.2.5  
(01-01-2022)  
**NOMRG - FYM**

- (1) **NOMRG - FYM** transcript generates when the fiscal month for the two accounts don't agree.
  - a. Research the "TO" TIN to ensure the correct number was used.

- b. **If the correct “TO” TIN was used**, determine the correct FYM by examining the posted returns. Use the FYM of the latest posted return for the account FYM.

**Note:** The FYM match is performed prior to the filing requirement match. Therefore, you must be sure the FRs. of each account are compatible.

- c. After determining the correct FYM, input TC 016, Doc. Code 63 to correct the inaccurate account.
- d. If the filing requirements are mismatched, refer to CP 202 instructions in IRM 3.13.12.8.3.3 and resolve accordingly.
- e. After the FYM (and FR, if necessary) is corrected, input TC 011, Doc. Code 63 to complete the consolidation.
- f. **If the correct “TO” TIN was not used**, research to determine if a good “TO” TIN exists.
- g. If the proper “TO” TIN is found ensure all items (FYM, FR) are compatible. Correct if necessary, then input TC 011, Doc. Code 63 to consolidate the accounts.
- h. If you cannot find a good “TO” TIN, destroy the transcript with no further action.

3.13.12.8.3  
(01-01-2022)

#### No Merge Notices

- (1) **No Merge Notices (CPs 200, 201 and 202):** Entity Control will receive these notices resulting from an attempted consolidation. These notices include the following EO information. The inclusion of this information on the notice will eliminate the need to research for EO information necessary for resolution of the case.

Title	Print Format
EO Entity Status	ST–nn–YYYYMM
Ruling Date	RUL–YYYYMM
Affiliation Code	AF–n
Foundation Code	TF–nn
Group Exemption Number	GEN–nnnn
Subsection Code	SS–nn
File Folder Number	FFN–nn–nnnnnnnn
Classification Code	CL–nnnn

3.13.12.8.3.1  
(01-01-2022)  
**CP 200**

- (1) **CP 200 “TIN CHANGE - INACTIVE ACCOUNT”** is generated when a consolidation of accounts is attempted and the “TO” account is inactive; i.e., all filing requirements are “8”.
- (2) Entity Control will receive these CP 200 notices and process as follows:
- Research the entity using CCs NAMEE/NAMEB and INOLE to verify the accounts are the same.
  - If the accounts appear to be the same, request research using CCs BMFOL, MFTRA, MFTRD for an entity transcript of both the “FROM” and “TO” number.

- c. **If research show the accounts are the same**, determine why the account is inactive by the transactions posted to the entity module. A TC 020 and a partial merge TC 011 and 003 combination will place 8s in the FRCs.
- d. Don't reactivate an account when a TC 011 and 003 created the inactive status, unless telephone contact with the organization is made. Try to convince the organization the active number is correct. However, if the taxpayer insists on having the number that is inactive, take the necessary action to correct the BMF and redo the consolidation.
- e. To reopen the account, use TC 012 and the appropriate FRC.
- f. **If the accounts are not the same**, forward the case and all the research to the originator of the consolidation, if they can be determined. Explain the reason the case is being forwarded. If the originator cannot be determined, destroy the case.

3.13.12.8.3.2  
(01-01-2022)  
**CP 201**

- (1) **CP 201, TIN CHANGE - NAME CONTROL MISMATCH** is generated when a consolidation of accounts is attempted and the Name Controls don't match. Entity will receive these notices and process as follows:
- a. Perform appropriate research to determine if these accounts are for the same entity. If an error was made in transcribing the data, initiate a TC 011, Doc. Code 63 with correct data.
  - b. If no error was made and it is **clearly** determined the accounts should be consolidated, input a TC 013 to change the name control, as required. If it's a BMF account, use Doc. Code 63; if it's an EO account, use Doc. Code 80. Also, input a TC 011 to consolidate the accounts and delay one cycle.
  - c. If one account has a temporary TIN and the accounts are the same, input TC 013 to correct the name of the account that is incorrect. If the accounts are BMF, use Doc. Code 63; if the accounts are EO/BMF, use Doc. Code 80. After the TC 013 has posted, input TC 011, Doc. Code 63. Use the account with the temporary number (00-2xxxxxx) as the "FROM" account.
  - d. If one account has a temporary TIN and the accounts are not the same entity, research for another number (TIN). Be sure to include EDS in your research if EO is indicated. If another TIN is found, input TC 011 using the temporary TIN as the "From" number. If another TIN isn't found, use CC ESIGN, MFI O, and NID to assign another (new) number to the account with the temporary TIN. If there is an open case on EDS, input the case control number. Input TC 011 with the temporary number as the "FROM" number.
  - e. If it cannot be clearly determined how to consolidate the accounts, reject the Request for Consolidation (computer generated Form 5147 or Form 2363) with the CP 201 to the originator on a memo routing slip. Request additional information to verify the consolidation. If sufficient information is received, change the name (TC 013). Input TC 011 to consolidate the accounts.
  - f. If consolidation cannot take place, destroy the notice.

3.13.12.8.3.3  
(01-01-2022)  
**CP 202**

- (1) **CP 202, TIN CHANGE - FILING REQUIREMENT MISMATCH** is generated when a consolidation of accounts is attempted and the accounts have conflicting filing requirements for income returns. For example, the consolidation would result in a combination of Form 1120-C and Form 990, Form 990-PF and Form 1041-A, or Form 1120 and Form 990-T filing requirements.

- a. Determine the correct filing requirements through IDRS and additional research as necessary.
- b. If a Form 1120-S is involved (Form 1120 FR of 02), correspond with the organization if one account has an unreversed TC 090 present on BMFOLE and the other account has a Form 990 FR. It will be necessary to determine from the taxpayer which FR is correct.
- c. When information reveals the filing requirement on one of the accounts is erroneous and the consolidation of the accounts should be made, coordinate with BMF Entity to reverse the TC 090, and then input a TC 016 to correct the filing requirements. Also, input and cycle delay a TC 011 to consolidate the accounts and delay two cycles.
- d. When information reveals two different entities are involved and the consolidation should NOT be accomplished, review both accounts. Correct name lines as applicable.

(2) Refer to table below to determine incompatible filing requirements:

<b>Filing Requirement Code &amp; MFT</b>	<b>Incompatible Filing Requirements &amp; Filing Requirement Code</b>
02 (1120)	1041, 1065, 706GS(T), 1041-A, 5227, 1066 990-C/1120-C (FRC = 1 unless F1120 FRC = 07) 990-T (FRC = 1 unless F1120 FRC = 03, 04 or 09) 990-T (FRC = 2) 990-PF (FRC = 1 unless EO Entity Status = 19 or 22) 990 (FRC = 03 or 07) 990 (FRC = 04, 06 or 13 unless F1120 FRC = 09) 990 (FRC = 01 or 02 unless F1120 FRC = 01 and EO subsection = 12 or 15 or F1120 FRC = 03, 04 or 09) 8752 (unless F1120 FRC = 02)
05 (1041)	1120, 1065, 990-C, 1120-C, 990-T, 1066, 8752 990 (FRC = 03 - 07) 990 (FRC = 01 - 02 unless EO Subsection = 91) 990-PF (unless EO Subsection = 92)
06 (1065)	1120, 1041, 1066, 990-C, 1120-C, 990-T, 1041-A, 5227, 4720, 990-PF, 706GS(T)
07 (1066)	1120, 1065, 1041, 8752, 990-C, 1120-C, 990-T, 1041-A, 5227, 4720, 990-PF, 990, 942, 706GS(T)

<b>Filing Requirement Code &amp; MFT</b>	<b>Incompatible Filing Requirements &amp; Filing Requirement Code</b>
15 (8752)	1041, 1066, 990-C, 1120-C, 990-T, 1041-A, 5227, 706GS(T) & 1120 (unless FRC = 02)
33 (990-C / 1120-C)	1041, 1065, 1066, 8752, 990-T, 1041-A, 5227, 4720, 990-PF, 990, 942, 706GS(T), 1120 (unless FRC = 07 and 990-C 1120-C FRC = 1)
34 (990-T)	1041, 1065, 1066, 8752, 990-C, 1120-C, 1041-A, 5227, 706GS(T), 990 (FRC = 03), 1120 (FRC = 01, 02, 06, 07, 10, 11 or 14 - 19)
36 (1041-A)	1066, 8752, 1120, 1065, 990-C, 1120-C, 990-T, 990-PF, 990
37 (5227)	1120, 1065, 1066, 8752, 990-C, 1120-C, 990-T, 990-PF, 990, 1041, 706GS(T) (unless EO Subsection = 90)
44 (990-PF)	1065, 1066, 8752, 990-C, 1120-C, 1041-A, 5227, 990 1120 (FRC = 01 unless EO Entity Status = 19 or 22) 1120 (FRC = 02, 06, 10, 11 14 - 19) 1041/706GS(T) (unless EO Subsection = 92) 990-T (FRC = 02)
50 (4720)	1065, 1066, 8752, 990-C, 1120-C 1120 (FRC = 02, 06, 07, 10 or 11) 990 (FRC = 03)
67 (990)	1065, 1066, 8752, 990-C, 1120-C, 1041-A, 5227, 990-PF 1120 (FRC = 02, 06, 07, 10, 11, 14 -19) 1120 (unless FRC = 09 and SS - 15) 1041/706GS(T) (unless EO Subsection = 91) 1120 (FRC = 01 unless 990 FRC = 01 or 02 and EO Subsection = 12) 990-T (FRC = 02) 990-T (Subsection = 91)

Filing Requirement Code & MFT	Incompatible Filing Requirements & Filing Requirement Code
77 (706GS(T))	8752, 990-C, 1120-C, 990-T, 1066, 1120, 1065 990 (FRC = 3, 04, 06, 07, 13) 990 (FRC = 01 or 02 unless EO Subsection = 91) 990-PF (unless EO Subsection = 92)

3.13.12.9  
(06-06-2022)

**EO Unprocessable  
Returns and Documents**

- (1) In order for a return or document to be processable, it must have:
  - A TIN,
  - A legible name or name control,
  - A valid tax year ending, and
  - legible tax data.
- (2) Returns and documents that don't meet the above requirements are called unprocessable returns or documents. "Unprocessables" received by Entity Control don't have a TIN or show a changed TIN or name.
- (3) See IRM 3.30.123, Processing Timeliness: Cycles, Criteria, and Critical Dates, for Entity Control's processing time frames for unprocessable returns.
- (4) Original returns and documents that are unprocessable will be received from:
  - Receipt and Control
 

**Exception:** A tax examiner from Entity will go to the Deposit Activity in Receipt and Control as needed to assign EINs to returns with remittances or remittances with no return or document attached. This is to avoid sending the money to Unidentified in Accounting.
  - Document Perfection (unnumbered returns)
  - Rejects (IDRS Control)
- (5) Returns and documents that indicate a change in name for EO accounts that affect the name lines will be received from:
  - Document Perfection
  - Error Correction
  - Rejects
- (6) EO returns will error when the input name control doesn't match the name control on the Entity Index File (EIF). Error Correction or Rejects will forward the return to EO Entity for research to determine if the organization is using the correct EIN.
- (7) It may be necessary to edit the entity information **only** to make a return processable. Refer to IRM 3.11.12, Exempt Organization Returns, for the placement of the edited information on each specific return.

3.13.12.9.1  
(09-20-2023)

**General Instructions for  
Processing Documents  
from ERS or Rejects**

- (1) If Error Correction or Rejects determines the EIN is for the same organization, but the Exempt Organization isn't name controlled properly, the return will be forwarded to Entity Control. Process the return as follows:
  - a. Compare the way the organization shows the name on the return with the name as shown on BMF.
  - b. If the name control on the BMF isn't according to the acceptable name control procedures, input the correct name control to update the BMF.
  - c. If the business name isn't identified on the BMF as a sort name, input the sort name in the sort name field to correct the BMF.
  - d. If there are misspelled names on the BMF, input the changes in the appropriate name line fields to correct the BMF.
  - e. If it is obvious the BMF is correct, edit/underline the correct name control on the return and send for processing.
  - f. If it appears a name change has occurred, look through the return for documentation of the name change. If documentation is attached, input the action to update the name. Edit/underline the correct name control on the return and/or on Form 8161, ERS Return Charge-out, and send for processing. If documentation isn't attached, correspond with the taxpayer informing them documentation is required before we can make the name change. See IRM 3.13.12.6.2.2 for more details on what type of documentation is required for each type of organization. If the taxpayer responds with the required information, input TC 013, Doc. Code 63, and send the organization a 252C letter acknowledging the change to its name. If the taxpayer doesn't provide the necessary documentation or fails to respond, don't make the name change. Edit the current BMF name control on the return and send for processing..
- (2) If ERS is unable to determine the correct EIN to post a TC 610 payment from Form 3224E (RRPS Electronic Payment Voucher), research CC NAMEE and CC NAMEE/NAMEB. If the correct EIN is still not found, attempt to phone the bank or the organization based on the information given on the check. When the correct EIN is found, notate it on the document and send it back to ERS.
- (3) Other reasons Rejects or ERS will refer copies of the return to Entity are:
  - 2 EINs, see IRM 3.13.12.7 to consolidate if needed
  - Missing EINs, research IDRS for an EIN; if unable to locate, assign one
- (4) After the changes are input, notify the Exempt Organization with the appropriate letter if a change is made to the organization's name. If a correct EIN is found, notify the organization, using the appropriate letter.

**Note:** Obvious transposed or missing digits can be excluded as criteria for sending the letter.

3.13.12.9.2  
(10-25-2022)

**General Instructions for  
Processing Documents  
from Document  
Perfection**

- (1) Returns with no entity data; i.e., name, EIN, SSN, may be forwarded to Entity from Document Perfection.
  - a. Review the form for a legible name on the signature line, schedules, or any attached correspondence.
  - b. Use available resources to locate a valid telephone number for the name secured. Contact the organization and if sufficient information is provided, perfect the return and continue processing.

- c. If the return cannot be identified in any manner, see your Manager for disposition of the form.
- (2) Entity Control will receive EO returns and documents if they contain a change to the “Organization Name”, have a missing EIN or don’t have an EO section on the BMF (UPC 366). Each return will be treated separately within this section.
- (3) Always input TC 599 cc 018 if the return is past due. A return is considered timely if filed by the due date or the extended due date. (Extended due date is identified by approved TC 460 date.) See the following charts for TC 599 cc 018 inputs and return due dates.

If	And	Then
the account is in Status 40		do not input a TC 599 cc 018
the return is a Form 1120-H or 1120-POL		input a TC 599 cc 018
the return is a final return	the FY on the return is different then the FY on IDRS	do not input a TC 599 cc 018



<b>Taxable Returns</b>	<b>Date Due</b>
990-PF, 990-T (Corporations & Exempt Trusts), 6069, 990-BL (tax years before 2021 only, see IRM 3.13.12.9.8)	15th day of the 5th month after the organization's accounting period ends (May 15th for a calendar-year filer)
990-T (IRC 401(a), 408(a), and 220(d) Trusts), 1120-POL	15th day of the 4th month (April 15th for a calendar-year filer)
4720	file by the due date for filing the organization's Form 990, 990-EZ, 990-PF or 5227 OR if not required to file any other return by the 15th day of the 5th month after the organization's accounting period ends (May 15th for a calendar-year filer)
990-C/1120-C	15th day of the 9th month after the end of its tax year (Sept. 15th for December year end)
<b>Non-Taxable Returns</b>	<b>Date Due</b>
990, 990-EZ, 990-BL w/o Sch A (tax years before 2021 only, see IRM 3.13.12.9.8), 5578	15th day of the 5th month after the organization's accounting period ends (May 15th for a calendar-year filer)
1041-A, 5227	15th day of the 4th month (April 15th for a calendar-year filer)
5768	Election - must be signed and postmarked before the 1st taxable year to which it applies Revocation - must be signed and postmarked before the first day of the tax year to which it applies
8282	within 125 days after the date of disposition

3.13.12.9.3  
(01-01-2022)  
**General Instructions for  
Processing Documents  
or Returns from  
Cincinnati**

- (1) The EO Entity unit sends returns and documents to Cincinnati for resolution. When Cincinnati returns these documents to Entity with resolution instructions indicated, process as follows:
  - a. Perform actions indicated by Cincinnati.
  - b. If a return is unpostable and needs to be processed, prepare Form 3893 to recreate the original DLN on SCCF. Send the Form 3893 and the return to Data Control Unit in the Accounting Branch.

3.13.12.9.4  
(01-01-2022)  
**Form 7004**

- (1) See IRM 3.13.2, BMF Account Numbers, for processing instructions.

3.13.12.9.5  
(10-25-2022)  
**Form 8822-B**

- (1) Form 8822-B is used by organizations to request an address change.
- (2) Processed Forms 8822-B will be stored in the Files Operation in Alpha File. Ensure each document has been name controlled and contains an audit trail in the lower left margin of the document.
- (3) When a Form 8822-B is submitted, update the account according to the following:

***Form 8822-B Instructions***

<b>If</b>	<b>Then</b>
Any required information is missing, including signature	Return Form 8822-B to the taxpayer with the appropriate letter. Send the letter to the taxpayer's "new" address. Instruct the taxpayer to complete Form 8822-B and return to us.
The EIN on Form 8822-B isn't on the Master File and IDRS research shows the EIN was assigned to the taxpayer reflected on Form 8822-B	Input TC 000. Add correct subsection and filing requirements if it's possible to determine the necessary information.
The EIN on Form 8822-B isn't on the Master File and IDRS research shows no record of this or any other EIN being assigned	Send the taxpayer a letter without an EIN asking for a copy of the notice assigning the EIN. When response is received, TC 000 the EIN.
The EIN on Form 8822-B doesn't match Master File and IDRS research locates a valid EIN	Notify the TP of the correct EIN with the appropriate letter. Provide the incorrect EIN, but DON'T disclose the name on the incorrect EIN.
Form 8822-B is complete and all required fields are completed	Input the necessary transactions to update the account.
Information is on Line 8, New responsible party's name, or Line 9, New responsible party's SSN, ITIN, or EIN	No action is needed.

**Figure 3.13.12-2**

3.13.12.9.6  
(09-20-2023)  
**Form 8868**

- (1) Form 8868, Application for Extension of Time to File an Exempt Organization Return, is used to request an extension for:
  - Form 990
  - Form 990-EZ
  - Form 990-PF
  - Form 990-T (corporation)
  - Form 990-T (IRC 401(a) or 408(a) trusts)
  - Form 990-T (other trusts)

- Form 1041-A
- Form 4720 (individual)
- Form 4720 (other than individual)
- Form 5227
- Form 6069
- Form 8870

**Note:** If a Form 8868 for Form 8870 is received in EO Entity, route it to TE/GE at mail stop 1110.

- (2) An organization can use Form 8868 to request an automatic 6-month extension.
- (3) Don't update any name line or address from Form 8868.
- (4) The MFT for the extension is determined by the type of return the Form 8868 is being filed for.
- (5) Process Forms 8868 received in Entity as UPC 329 or UPC 366 using instructions in IRM 3.12.278.
- (6) When a Form 8868 is received from Rejects because of a discrepancy (i.e., name control, FYM, etc.) take the appropriate actions to fix the discrepancy to allow posting of the extension. If research indicates the EIN doesn't have an EO section, make the necessary corrections to fix the discrepancy and establish an EO section with Status 40 per IRM 3.13.12.6.18.23 for Forms 990, 990-EZ, 990-PF, 990-T (corporation), 990-T (other trusts), and 4720. For Form 990-T (IRC 401(a) or 408(a) trusts), update the filing requirement to 990-T>2 per IRM 3.13.12.9.12.4, Form 990-T (IRC 401(a) or 408 IRA Trust). For Form 5227, update the EO Status to 12 per IRM 3.13.12.6.18.8, EO Status Code 12.

**Note:** If a Form 8868 is received for a Form 1041-A only, add/update the EO Status to 12 using the same subsection as the Form 5227, adding a Form 1041-A and Form 5227 filing requirement of 1.

- (7) When unnumbered Forms 8868 are received that don't contain an EIN, research IDRS for an EIN:

If	And	Then
An EIN is found	there's EO section data	Edit the EIN on the Form 8868 and forward for processing
An EIN is found	there's no EO section data	<ol style="list-style-type: none"> <li>1. Establish the EO section with status 40 per IRM 3.13.12.6.18.23</li> <li>2. Edit the EIN on the Form 8868 and forward for processing</li> </ol>

If	And	Then
An EIN isn't found		<ol style="list-style-type: none"> <li>1. Assign an EIN via CC ESIGN with MFI O and Return ID Code of E8</li> <li>2. Establish the EO section with status 40 per IRM 3.13.12.6.18.23, with a cycle delay of 1</li> <li>3. Edit the EIN on the Form 8868 and forward for processing</li> </ol>

**Note:** If an EIN is found but the name, address and/or account number on IDRS doesn't **exactly** match the name and address on the Form 8868, follow the instructions above for **An EIN isn't found**.

- (8) Approved Forms 8868 for a group will be identified in Code & Edit and a TC 460 will be input on the group and each of the subordinates in the group if a listing of the names and EINs of the subordinates is attached to the Form 8868. If the Form 8868 is received in Entity from Code & Edit, research CC INOLE to determine if the extension is for a group return:

If	Then
The Form 8868 <b>isn't</b> for a group return	Circle out the GEN and return to Code & Edit.
The Form 8868 is for a group return (a GEN is present and the Form 990 FR is 03), but the "whole group" or "part of the group" box <b>isn't</b> checked	<p>a. Call the parent organization using the phone number on the SGRI listing.</p> <p>b. Ask the parent organization if the extension is for the "whole group" or "part of the group."</p> <p>c. If the extension is for the "whole group," , mark the "whole group" box on the Form 8868 and return the extension to Code &amp; Edit.</p> <p>d. If the extension is for "part of the group," request a list from the organization. When the list is received, attach the list to the extension, mark the "part of the group" box on the Form 8868, input a TC 460 on each EIN and return the extension and list to Code &amp; Edit.</p> <p><b>Note:</b> Don't input a TC 460 on subordinates in status 26, 28 or 97.</p>
If the Form 8868 is for a group return (a GEN is present and the Form 990 FR is 03) and the "part of the group" box is checked, but no listing is attached	<p>a. Call the parent organization using the phone number on the Form 8868 (if no number is listed on the Form 8868, look for a phone number on IDRS or on a prior Form 990 filed).</p> <p>b. Request a listing for the groups included.</p> <p>c. If a list is received, input a TC 460 for each subordinate on the list. Attach the list to the Form 8868 and return to Code &amp; Edit.</p> <p>d. If no list is received or a phone number can't be located, circle out the "part of the group" box, mark the "whole group" box, , and return to Code &amp; Edit.</p>

3.13.12.9.7  
(09-20-2023)  
**Form 990 and Form 990-EZ**

(1) Forms 990 and 990-EZ contain the following schedules:

- Schedule A - Public Charity Status and Public Support
- Schedule B - Schedule of Contributors
- Schedule C - Political Campaign and Lobbying Activities
- Schedule D - Supplemental Financial Statements
- Schedule E - Schools
- Schedule F - Statement of Activities Outside the United States
- Schedule G - Supplemental Information Regarding Fundraising or Gaming Activities
- Schedule H - Hospitals
- Schedule I - Grants and other Assistance to Organizations, Governments, and Individuals in the United States

- Schedule J - Compensation Information
  - Schedule K - Supplemental Information on Tax-Exempt Bonds
  - Schedule L - Transactions with Interested Persons
  - Schedule M - Noncash Contributors
  - Schedule N - Liquidation, Termination, Dissolution or Significant Disposition of Assets
  - Schedule O - Supplemental Information to Form 990 or 990-EZ
  - Schedule R - Related Organizations and Unrelated Partnerships
- (2) Form 990 or Form 990-EZ is filed by an organization that is exempt under IRC 501(c), or is a Nonexempt Charitable Trust under IRC 4947(a)(1). The entity subsection code for these filers is as follows:

Code	SS	Description
02	501(c)(2)	Title holding corporation for exempt organization
03	501(c)(3)	Religious, educational, charitable, scientific, literary, testing for public safety, to foster national or international amateur sports competition, or prevention of cruelty to children or animals organizations
04	501(c)(4)	Civil Leagues, social welfare organizations; and local association of employees
05	501(c)(5)	Labor, agricultural, and horticultural organizations
06	501(c)(6)	Business leagues, chamber of commerce, real estate boards, etc.
07	501(c)(7)	Social and recreational clubs
08	501(c)(8)	Fraternal beneficiary societies and associations
09	501(c)(9)	Voluntary employees beneficiary associations
10	501(c)(10)	Domestic fraternal societies and associations
11	501(c)(11)	Teachers' retirement fund associations
12	501(c)(12)	Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, and like organizations
13	501(c)(13)	Cemetery companies
14	501(c)(14)	State-chartered credit unions, mutual reserve funds
15	501(c)(15)	Mutual insurance companies or associations (other than life or marine)
16	501(c)(16)	Cooperative organizations to finance crop operations
17	501(c)(17)	Supplemental unemployment benefit trusts
18	501(c)(18)	Employee funded pension trust (created before 6/25/59)
19	501(c)(19)	Post or organization of past or present members of the armed forces
21	501(c)(21)	Black Lung benefit trusts
22	501(c)(22)	Withdrawal liability payment fund
23	501(c)(23)	Veterans' organization (created before 1880)
25	501(c)(25)	Title-holding Corporations or Trusts with multiple parent corporations

Code	SS	Description
26	501(c)(26)	State-sponsored organization providing health coverage for high-risk individuals
27	501(c)(27)	State-sponsored workers' compensation reinsurance organization
28	501(c)(28)	National Railroad Retirement Investment Trust
29	501(c)(29)	CO-OP Health Insurance Company
40	501(d)	Religious and Apostolic Associations
50	501(e)	Cooperative hospital service organizations
60	501(f)	Cooperative service organizations of operating educational organizations
70	501(k)	Child care organizations
71	501(n)	Charitable risk pools
82	527	Political organizations
90 - 92	4947(a)(1)	Non-exempt charitable trust under IRC 4947(a)(1)

- (3) If the account is in Status 40, leave the subsection on the return as indicated by the organization.
- (4) The subsection code, foundation code, annual returns and supplementary returns for Form 990 filers are as follows:

Subsection Code	Foundation Code	Annual Return	Supplementary Return	IRC
02		Form 990/990-EZ and Sch B	Form 990-T	501(c)(2)
03	10	Form 990/990-EZ and Sch A, B, C	Form 990-T, 4720	501(c)(3)
03	11	Form 990/990-EZ and Sch A, B, E	Form 990-T, 4720	501(c)(3)
03	12	Form 990/990-EZ and Sch A, B, H	Form 990-T, 4720	501(c)(3)
03	13	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	14	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	15	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	16	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)



Subsection Code	Foundation Code	Annual Return	Supplementary Return	IRC
03	17	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	18	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	21	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	22	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	23	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	24	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
03	25	Form 990/990-EZ and Sch A, B	Form 990-T, 4720	501(c)(3)
04		Form 990/990-EZ and Sch B, C	Form 990-T, 4720	501(c)(4)
05 thru 19		Form 990/990-EZ and Sch B	Form 990-T	501(c)(5) thru (19)
21 (for tax years 2021 and subsequent)		Form 990	Form 6069	501(c)(21)
22 thru 27		Form 990/990-EZ and Sch B	Form 990-T	501(c)(22) thru (27)
28		Form 990/990-EZ	Form 990-T	501(c)(28)
29		Form 990	Form 990-T	501(c)(29)
40		Form 990/990-EZ and Sch B	Form 990-T	501(d)
50		Form 990/990-EZ and Sch A, B	Form 990-T	501(e)
60		Form 990/990-EZ and Sch A, B	Form 990-T	501(f)
70		Form 990/990-EZ and Sch A, B	Form 990-T	501(k)
71		Form 990/990-EZ and Sch A, B	Form 990-T	501(n)
82		Form 990/990-EZ and Sch B	Form 1120-POL, 8871, 8872	527
91		Form 990/990-EZ and Sch A, B	Form 990-T, 1041, 4720	4947(a)(1)

- (5) The Type of Organization (TO) Codes for Forms 990/990-EZ are as follows:

Type of Organization	Definition
1	SS = 02-19, 22-28, 29, 50, 60, 70, 71 or 81
3	a. The 4947(a)(1) box is checked in Item I of the entity section. b. SS = 91
4	The 527 box is checked in Item I of the entity section and the SS = 82.

- (6) If a group exemption number (GEN) is shown in item H(c) on the return, always use the pilot voucher to create the EO/BMF entity or to add the EO section to the BMF entity.

**Note:** If the account is in Status 28 but this is a final 990, use the pilot voucher to create the EO section to allow the return to post. If this isn't the final 990, place the account in the appropriate status (i.e., Status 36 or 40).

- (7) When the Form 990 FRC is 06 and the CL isn't 7, input a TC 016, Doc. Code 80, Definer Code A and update the FRC to 01.
- (8) When the Form 990 FRC is 06 and the TF is 10, check Schedule A, Part I:

If	Then
Box 1 (church) is checked,	Take no action (document will unpost).
Box 1 (church) isn't checked,	Take no action (document will unpost).

- (9) If the Foundation Code is 09 for a 501(c)(3) Form 990 filer, this TF is incorrect. To determine the correct foundation code, check EDS, CC BMFOLO or Part I on the Schedule A. Update the Master File to correct the Foundation Code. The following list indicates what the TF is for each box checked in Part I of the Schedule A:

- Box 1 - TF 10
- Box 2 - TF 11
- Box 3 - TF 12
- Box 4 - TF 12
- Box 5 - TF 13
- Box 6 - TF 14
- Box 7 - TF 15
- Box 8 - TF 15
- Box 9 - TF 25
- Box 10 - TF 16
- Box 11 - TF 18
- Box 12a - TF 21
- Box 12b - TF 22

- Box 12c - TF 23
  - Box 12d - TF 24
- (10) Every tax-exempt political organization and newsletter fund under IRC 527 must file Forms 990, 990-EZ for the taxable year if their gross receipts are equal to or greater than \$25,000.
- (11) If a response is received from an organization claiming to be a IRC 501(c)(3) organization in Status 40 and they indicate they are exempt under the Tax Reform Act of 1969, notify the organization they are still required to file a Form 1023 or Form 1023-EZ per Revenue Procedure 76-34 and Revenue Ruling 73-504. If the organization doesn't file a Form 1023 or Form 1023-EZ after nine (9) months in Status 40, update the filing requirement to Form 990-PF, Subsection 03, Foundation Code 04, FYM as indicated on the return, with a TC 016, Doc. Code 80 and Definer Codes AB.
- (12) See the tables below for 990 posting and filing requirement information: Form 990/990-EZ/990-N posting information:

Transaction Code	Tax Class	Doc Code	MFT Code	FRC
150	4	90/09/89/ 92/93	67	01, 02, 03, 06, 07, 13, 14

Form 990/990-EZ/990-N filing requirements:

Compatible Income Tax Returns	FRC-01 over \$50,000	FRC-02 \$50,000 or less	FRC-03 Group Return	FRC-06 Church	FRC-07 501(c)(1) Govt	FRC-13 Religious CL Code 7	FRC-14 State or Political Sub
IRC 501 (c), (e), (f)	990-T-1, 1120-POL, 1120L-03 1120M-04 4720 1120-01 (SS 12) 706GS(T) (SS 91)	990-T-1, 1120-POL, 1120L-03 1120M-04 4720 1120-01 (SS 12) 706GS(T) (SS 91)	None	990-T-1	None	None	None

Update IDRS for 990/990-EZ/990-N processing:

Type of Form	Assign EIN "0" if EIN not found	EOREQ TC 016	EOREQ TC 016 ST 01
EIN not on the BMF no exemption	X	Status 40	

Type of Form	Assign EIN "0" if EIN not found	EOREQ TC 016	EOREQ TC 016 ST 01
On the BMF no exemption		Status 40	
Subordinate not on the BMF	X		Pilot Voucher
Subordinate on the BMF			Pilot Voucher
Group Return not on the BMF	X		Pilot Voucher 990-03 FR
Group Return on the BMF			Pilot Voucher 990-03 FR
Church NIA; hospital, school not on the BMF	X	Status 40 if unable to determine GEN	With GEN: Pilot Voucher
Church NIA; hospital school on the BMF		Status 40 if unable to determine GEN	With GEN: Pilot Voucher
Church not on the BMF no exemption	X	Status 30	
Church on the BMF		Status 30	
Church on the BMF exempt on the BMF			990-06 FR
4947(a)(1) filer not on the BMF	X	Status 12	
4947(2)(1) filer on the BMF no exemption		Status 12	
501(c)(3) Orga- nizations with annual gross receipts of \$5,000 or less		Status 31	
527 Political Organizations	X	Status 34 Sub- section 82	

**Note:** If research shows the EIN on the return is correct but not on the BMF, input a TC 000 when applicable instead of a TC 016.

- (13) If the name line indicates the word "VEBA", Voluntary Employee Beneficiary Association, or the taxpayer has indicated a subsection of "9" and/or research shows the number is for a Corporation:
- Don't use the corporation EIN.
  - Research for a different number for the VEBA using CCs NAMEB, NAMEE and INOLET.
  - If another number isn't found, use CC ESIGN to assign a new number and put the account in Status 40.

3.13.12.9.8  
(01-01-2022)  
**Form 990-BL and Form 6069**

- For tax years prior to 2021, section 501(c)(21) black lung trusts used Form 990-BL as both an information return (to satisfy filing requirements under section 6033) and an excise tax return (to report and pay Chapter 42 excise taxes). For tax years 2021 and subsequent, a black lung benefit trust will meet the reporting requirements under section 6033 with Form 990.
- For tax years prior to 2021, Form 6069, Return of Excise Tax on Excess Contributions to Black Lung Benefit Trust under IRC 4953 and Computation of Section 192 Deduction, is used by coal mine operators who make contributions to tax-exempt black lung benefit trusts to determine the maximum allowable income tax deduction and the amount of excise tax on the excess. For tax years 2021 and subsequent, Form 6069 will also be used by section 501(c)(21) black lung benefit trusts to report and pay Chapter 42 excise taxes on self-dealing (section 4951) and taxable expenditures (section 4952).
- The entity will be on the BMF if an exemption is granted or an EIN assigned. However, the returns don't post to the BMF. They are processed to Non-Master File.
- See table below for Form 990-BL and 6069 posting (for tax years before 2021 only):

Transaction Code	Tax Class	Doc Code	FRC
None	6	88	04

- (5) If the return doesn't have an EIN research the BMF. See table below:

If	And	Then
an EIN is found	there is an EO Section with SS 21	enter the EIN on the return and release for processing.

If	And	Then
the SS isn't 21		contact the taxpayer notifying them they have filed the wrong return. When a reply is received, process in accordance with taxpayer's request. If no reply is received, forward return to TE/GE in Cincinnati.
an EIN is found without an EO section		enter the EIN on the return and release for processing.
an EIN isn't found		assign an EIN with MFI "0", enter the EIN on the return and release for processing.

- (6) The Form 990-BL is obsolete beginning tax year 2021. For tax year 2021 and subsequent:

- Section 501(c)(21) trusts will use Form 990 to meet their filing requirement under section 6033.
- If a section 501(c)(21) trust or its disqualified persons/managers have a Chapter 42 excise tax liability, they will report it on Form 6069.

3.13.12.9.9  
(01-01-2022)

**Form 990-C/1120-C**

- (1) See IRM 3.13.2, BMF Account Numbers.

3.13.12.9.10  
(07-05-2023)

**Form 990-N, e-Postcard**

- (1) Beginning in 2008, small tax-exempt organizations that were previously not required to file returns may be required to file Form 990-N, Electronic Notice (e-Postcard) for tax-exempt organizations not required to file Form 990 or 990-EZ.
- (2) The Ogden Campus will receive referrals from the Call Site for tax-exempt organizations when an EO sub-module isn't established on Master File.
- (3) All of the information to establish the account and EO sub-module (Status 01, 31, 36 or 40) must be present on the referral form received from the call site. EO Status, Subsection and Classification code are required unless the account is already established on Master File. Classification Code for Status 36 will always be 1. Do not reject Status 36 requests if the classification code is missing. If the referral doesn't provide the information needed to establish the sub-module and/or submit the 990-N, refer the form to the Lead who will follow-up with the Call Site and obtain the missing or incomplete information.

**Note:** If case is in Status 97, refer to the lead.

- (4) When a referral is received do the following:

- Research Master File to ensure the EIN is correct for the organization.
- Using the information provided on the referral form, establish the EO subsection. For instructions on inputting the EO subsection refer to IRM 3.13.12.6.18.
- If they're currently under a GEN and in a good status, do not change.
- If they're in a good status on IDRS, do not update per the referral form unless the account is in status 36 and the form states a different subsection that's applicable with status 36.
- If there's no subsection on IDRS, the data sheet Status Code is blank and the subsection is 3, 4, 9, 17 or 29, check EDS for an approved application. If there's an approved application, update to Status 01 per EDS information. If there's a pending application or no application, update to Status 40 per IRM 3.13.12.6.18.23.
- If there's no subsection on IDRS, the data sheet Status Code is blank and the subsection is **other** than 3, 4, 9, 17 or 29, check EDS for an approved application. If there's an approved application, update to Status 01 per EDS information. If there's a pending application or no application, update to Status 36 per IRM 3.13.12.6.18.22.
- If they're- currently in Status 40 or 36 on IDRS, check EDS for an approved application. If there's an approved application, update to Status 01 per EDS information. If there's a pending application or no application, leave in Status 40 or 36. An account can be updated to Status 01 from Status 36 or 40.
- If the name control on the form is slightly different than what is on IDRS, such as transposed letters, continue processing.
- If they have a different filing requirement, (e.g. 990-PF) check EDS. If EDS information matches IDRS and the request is to file for the taxpayer, refer the form to the lead who will reject it back to the sender. A Form 990-N can't be filed if the organization is required to file a Form 990-PF. If EDS matches the form, update the EO section and filing requirement per EDS.
- Always check EDS before processing or rejecting.
- Monitor the case until the subsection has posted to Master File.
- If the referral form indicates the filer will submit their 990-N, close the case following the posting of the EO sub-module. If the form indicates the filer wants the IRS to submit the Form 990-N on their behalf, follow the instructions in the next section for submission of an e-Postcard.

3.13.12.9.10.1  
(07-05-2023)

#### Submit an e-Postcard

(1) Take the following steps to submit the e-Postcard:

- a. Access the e-Postcard filing system at [irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard](https://irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard) and click on the link to **Submit Form 990-N (e-Postcard)**.
- b. On the home page of the filing system, click on **Sign in with LOGIN.GOV** if you're a returning user or **Create an account LOGIN.GOV** if this is the first time using the site and complete the steps to create an account.
- c. Upon access to the system, click on **Manage E-Postcard Profile**.
- d. Ensure you are logged in as "the Preparer". If not, click "Edit" user type and select "Preparer".
- e. Enter the organization's EIN then click **Add EIN**. Click "Create New Filing" then select the EIN for which you want to file for and then click continue.

**Note:** If you receive an Error 3000, you must edit the User Type to “the Preparer” as stated in (d) above.

- f. You will see the first of two main screens for the e-Postcard. The first page will already contain the organization’s tax year ending, legal name and EIN. This is the information on Master File and cannot be changed. If you inadvertently entered the wrong EIN, cancel the filing and add the correct EIN.
- g. Answer two questions on the first page:
  - “Has your organization terminated or gone out of business?” If the answer is ‘yes’ to this question, you will get a message that asks the filer 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. If the organization has terminated, you still complete the e-Postcard.
  - “Are your gross receipts normally \$50,000 or less?” The answer to this question must be “yes” to file the e-Postcard. If the “no” box is checked on the referral form, refer the case to the Lead for follow-up with the Call Site
- h. Click “Continue.”
- i. Enter the information requested on the second page.
- j. When you have completed both pages of the e-Postcard, click **continue**. You will see a page that states the e-Postcard was submitted to the IRS and the e-Postcard is pending. After approximately seven minutes you can get an update showing accepted or rejected. Once the status is updated, send a letter to the organization stating whether the Form 990-N was accepted or rejected.
- k. In addition to the error message noted above, you may encounter the following error messages:
  - “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.”
- l. If the principle officer is not listed on the data sheet, use the name of the caller. If the name of the caller is not present, reject the data sheet and request the missing information.

- (2) If the sub-module data sheet is incomplete, reject back to the originator.

**Note:** If sub-module data sheet is for an organization that is in status 01, not all fields must be completed and should not be rejected if enough information is provided to submit the Form 990-N.

3.13.12.9.11  
(01-01-2022)  
**Form 990-PF**

- (1) This return is filed by organizations that are private foundations, or are charitable trusts treated as a private foundations under IRC 4947(a)(1).
- (2) The entity subsection code for this type of filer is as follows:

SS	Description
03	Charitable, educational or literary organizations to prevent cruelty to animals or children; organizations for public safety testing; religious or scientific organizations
92	Non-exempt charitable trust under IRC 4947(a)(1)



- (3) The **type of foundation code** for a Subsection **03** organization must be as follows:

Type of Foundation	Description
02	Private Operating Foundation with an election under IRC 4940(d)(2)
03	Private Operating Foundation
04	Private Non-operating Foundation

- (4) The Type of Organization (TO) Codes for Form 990-PF are as follows:

Type of Organization	Definition
<b>3</b> (U.S. Trust) <b>6</b> (U.S. Foundation)	<p>If all of the following apply</p> <ul style="list-style-type: none"> <li>the organization has a U.S. address.</li> <li>Box D1 or D2 in the entity section isn't checked.</li> </ul> <p><b>Note:</b> Always edit <b>Code 3</b> if the 4947(a)(1) box is checked or no box is checked and SS = 92 is indicated.</p>
<b>4</b> (Foreign Trust) <b>7</b> (Foreign Foundation)	<p>if all of the following apply</p> <ul style="list-style-type: none"> <li>the organization has a foreign address.</li> <li>Box D1 or D2 is checked.</li> </ul> <p><b>Note:</b> Always edit <b>Code 4</b> if the 4947(a)(1) box is checked or no box is checked and SS = 92 is indicated.</p>
<b>5</b>	<p>Canadian Trust, or <b>Code 8</b>, Canadian Foundation, if the organization has a Canadian address or a treaty between the U.S. and Canada is referenced or attached.</p> <p><b>Note:</b> Always edit <b>Code 5</b> if the 4947(a)(1) box is checked or no box is checked and SS = 92 is indicated.</p>
<b>6</b>	All others

- (5) The gross receipts limitation doesn't apply to Form 990-PF filers.

- (6) Organizations classified as Private foundations must file a Form 990-PF every year.
- (7) A Form 990-PF filer must pay estimated tax starting with tax periods beginning after 12-31-1986.
- (8) For 990-PF posting and filing requirements, see table below:

Transaction Code	Tax Class	Doc Code	MFT Code	FRC
150	4	91	44	1- Form 990-PF required to be filed. 2- Revocation of private foundation (Status 19) 2 - Revocation of private foundation (Trust Status 18) Form 1041 and 990-PF required to be filed. 3 - Presumptive PF; Form 990-PF required to be filed.

- (9) The following is a list of compatible income tax returns for 990-PF FRC 1:
- Form 990-T; SS 03 filers
  - Form 1041; ST 12 IRC 4947(a)(1) filers
  - Form 1041; ST 18 revocation of private foundation trust
  - Form 1120; ST 19 revocation of private foundation corporation
- (10) The following is a list of compatible income tax returns for 990-PF FRC 2:
- Form 1120 ST 19 revocation
  - Form 1041 ST 18 revocation
- (11) Use the table below for updating IDRS for Form 990-PF processing:

Type of 990-PF	Assign EIN MFI 0 if an EIN isn't found	EOREQ TC 016 ST 40	EOREQ TC 016 ST 12
EIN not on the BMF	X	X	
EIN on the BMF no exemption		X	
EIN not on the BMF IRC 4947(a)(1) filer	X		X
EIN on the BMF Sec 4947(a)(1) filer			X

**Note:** If research shows the EIN indicated on the return is correct and not on the BMF, you will input a TC 000 instead of a TC 016.

- (12) Foreign private foundations described in IRC 4948(b) are not required to apply for exemption, but are required to file Form 990-PF to pay a 4% tax on gross investment income derived from U.S. sources.

**Note:** In the entity section of the 990-PF, these type of filers should check boxes D1 or D2.

- (13) If a Form 990-PF with the 60-month termination box checked is received from Code & Edit, see IRM 3.13.12.6.18.14 for EO Status 25 procedural instructions.
- (14) Beginning January 2006, presumptive PFs will have a Form 990-PF FR of 3.
- (15) The Pension Protection Act of 2006 requires certain supporting organizations who no longer qualify as a supporting organization to file Form 990-PF and self identify. If a Form 990-PF is received in Entity and "Notice 2008-6" or similar wording is present on the top of the form, or Item G checkbox - Initial return of a former public charity is checked, change the filing requirements from 990 to 990-PF. Use DOC code 80, Definer code A, Subsection 03, Foundation code 04, Classification Code, FYM and 990-PF FR 1.

**Note:** If the filer indicates on the 990-PF they are a 4947(a) filer, update the account with subsection 92, status code 12 and 990-PF filing requirements.

**Note:** Research to determine if there is an open 990 tax module. Input a TC 590 cc 075 to satisfy the module to prevent TDI notices.

3.13.12.9.12  
(01-01-2022)  
**Form 990-T**

- (1) A Form 990-T is filed by organizations that are **exempt under IRC 501(c), 501(e), 501(f), and 501(k)** when they have unrelated taxable business income or **trusts filing under IRC 220(e), 529(a), 530(a), IRC 401(a) and IRC 408 IRA trusts (Individual Retirement Accounts).**

- (2) A Form 990-T is filed by tax exempt organizations who may file a Form 990 or 990-PF or are exempt from filing a Form 990 or 990-PF to claim the credit for small business health insurance premiums.
- (3) Imaging will route Form 990-T with Form 8941 attached when filed to claim the 45R credit. Form 990-T with 8941 attached that are filed to claim the credit only are not imaged. When a Form 990-T is received take the following actions:
  - Research to ensure the EIN is for the organization filing the return.
  - If all Entity information is correct and the account has 990-T filing requirements, stamp the return and route to Code & Edit for processing.
  - If the account doesn't have 990-T filing requirements, establish the submodule per the following:
    - If the organization is a church, add a subsection and 990-T filing requirements using Status Code 07. Refer to IRM 3.13.12.6.18.5.
    - If the organization is a state operated university or college, add a subsection and 990-T filing requirements using Status Code 06. Refer to IRM 3.13.12.6.18.4.
    - If the organization is other than a church, state operated university or college, add a subsection and 990-T filing requirements using the appropriate status code based on the subsection listed on the 990-T return. If unable to determine, use Status 40.
  - If changing the FYM and the change will result in a short period return for 2010, edit a computer condition code "Y" in red under the entity section of the 990-T. The computer condition code will allow the credit to post. The credit is only available for periods January 1, 2010 and subsequent. The computer condition code will by-pass this check.
  - When all actions are complete, stamp the return and route to Code & Edit for processing.
- (4) See the instructions in IRM 3.13.12.9.12.4 whenever any of the following conditions exist:
  - a. Form 990-T (1981 and subsequent) with Line G, IRC 401(a) Trust box checked or Type of Organization edited on the Form 990-T is a 3.
  - b. Form 990-T (1980 and prior) and Line 8 checked (IRC 401(a) Trust) or Type of Organization edited on the Form 990-T is a 3.
  - c. Form 990-T (1980 and prior) and Line 8 *isn't* checked but the name contains the words "**Pension**", "**Retirement**", "**Welfare**", "**Benefit**", or "**Profit Sharing Plan**".
  - d. If the "trust" box is checked and the name contains the words "Pension", "Retirement", "Welfare", "Benefit" or "Profit Sharing Plan", research the entity module using CCs BMFOL, ENMOD, or INOLE. If research shows the entity has an EO section, process the return as an exempt organization. If the entity doesn't have an EO section, process as a IRC 401(a) trust.
- (5) Exempt organizations that file a 990-T generally also file a Form 990 or Form 990-PF.

**Exception:** IRC 401(a) filers who also file a Form 5500 series return and IRC 408 IRA trust filers.

- (6) If a Group Exemption Number (GEN) is shown in item “F” on the return, always use the pilot voucher to create the EO/BMF entity or to add the EO section to the BMF entity.

**Note:** Group returns cannot file a Form 990-T. Form 990-T can only be filed by the parent or the subordinates.

- (7) Verify the Type of Organization (TO) Code, Box 3, is correct. This action will help prevent unpostable conditions.
- The TO is determined from the box checked in Item B or G of the entity section.
  - Research CC INOLES/T for the subsection code if more than one box is checked in Item B and/or G, **or** no box is checked in Item G.
  - After research always edit on TO code as follows:

Code	Description
1	501(c) trust box checked with a U.S. address and SS 90-92
2	501(c) trust box checked with a foreign address and SS 90-92
3	401(a), 408(a) 408(e), 220(e), 529(a) 530 (a) or other trust box is checked (no subsection)
4	501(c) corporation box checked with a U.S. address and SS 02-27, 50, 60, or 70
5	501(c) corporation box checked with a foreign address and SS 02-27, 50, 60, or 70

- If unable to determine the Type of Organization Code, i.e., CC INOLES indicates SS of 00, edit Code 4 on the Form 990-T.
- (8) The Tax Technical Corrections Act of 2007, amended IRC 6104(d)(1) to require Form 990–T and related schedules, filed by IRC 501(c)(3) organizations to report unrelated business income, be made available for public inspection. This provision is effective for returns filed after August 17, 2006 the date of enactment of the Pension Protection Act of 2006.
- (9) If a 990-T is filed to claim credits for Form 2439 take the following actions:

If	Then
The EIN on the Form 990-T has active 1065 or 1120-REIT filing requirements	Research for another EIN with 990-T filing requirements.
Another EIN with 990-T filing requirements is found through research	Edit the correct EIN on the 990-T and continue processing.
Another EIN with 990-T filing requirements isn't found	Assign a new EIN and add 990-T FRC of 2. Notate the new EIN on the 990-T and continue processing.

3.13.12.9.12.1  
(01-01-2022)

**Form 990-T Church Filer**

- (1) When the name on the return indicates it is for a church, use Status Code 07 to add the EO Section to the BMF. If the organization's name doesn't clearly indicate a church or you are in doubt whether the organization is a church, use Status Code 40.

3.13.12.9.12.2  
(01-01-2022)

**Form 990-T  
State-Operated  
University/College or  
Re-insurance Filer**

- (1) If a State-operated university/college or Re-insurance Company has unrelated business income, a Form 990-T should be filed. These organizations will not file for an exemption. Many of the Forms 990-T will be secured by Examination.
- The EO Status for this type of a filer is 06.
  - If the return was not secured and the name doesn't indicate it is a State-operated university/college or re-insurance company, use Status 40.
- (2) Refer to the table below for 990-T filing requirements:

Transaction Code	Tax Class	Doc Code	MFT	FRC
150	3	93	34	1 - Form 990-T required to be filed. 2 - Form 990-T for IRC 401(a) or 408 filers

- (3) Form 990-T FRC 1 is compatible with the following forms:

- Form 990 (unless Form 990 FRC = 03)
- Form 990-PF
- Form 1120-POL
- Form 4720

- (4) Form 990-T FRC 2 is compatible with the following forms:

- Form 941
- Form 945

- (5) Use the following table to update IDRS for Form 990-T processing:

Type of Form 990-T	Assign EIN MFI 0 if an EIN isn't found	EOREQ TC016 ST 01	EOREQ TC016 ST 06	EOREQ TC016 ST 07	EOREQ TC016 ST 40	BNCHG TC016 990-T
EIN not on the BMF no exemption	X				X	
EIN on the BMF no exemption					X	

Type of Form 990-T	Assign EIN MFI 0 if an EIN isn't found	EOREQ TC016 ST 01	EOREQ TC016 ST 06	EOREQ TC016 ST 07	EOREQ TC016 ST 40	BNCHG TC016 990-T
Subordinate not on the BMF	X	Pilot Voucher				
Subordinate on the BMF		Pilot Voucher				
NIA: Such as a hospital, school etc. not on the BMF	X	Pilot Voucher			If unable to determine GEN	
NIA: Such as a hospital, school etc. on the BMF		Pilot Voucher			If unable to determine GEN	
Church not on the BMF no exemption	X			X		
Church on the BMF no exemption				X		
State University/ College or Re-insurance Company on the BMF no exemption			X			
401(a) Trust or Sec 408 IRA not on the BMF	X					X
401(a) Trust or Sec 408 IRA on the BMF						X

**Note:** If research shows the EIN indicated on the return isn't on the BMF, you will input a TC 000 with applicable status instead of a TC 016.

3.13.12.9.12.3  
(01-01-2022)

#### Erroneous Backup Withholding

- (1) If a taxpayer files a Form 990-T to claim a refund of erroneous backup withholding:

- a. Use the pilot voucher to create an EO section and process the return if a GEN is given.
- b. Process the return as an exempt organization if research shows the entity has an exemption.
- c. Input a TC 016 with Form 990-T FR of 2 if the organization isn't part of a group. If the EIN belongs to a corporation or has incompatible FRs, assign a new number.

**Note:** Set up name with "for filing Form 990-T" on both the primary and sort name lines.

3.13.12.9.12.4  
(06-06-2022)

**Form 990-T (IRC 401(a)  
and 408 IRA Trust)**

- (1) The organizations who file Form 990-T (401(a) and 408 IRA Trust) are part of a pension plan trust and are not required to file for an exemption. 401(a) Trust filers are identified on the return when the 401(a) trust box in Block "G" is checked. A 408 IRA will check trust and may indicate on Line B, 408, or the name will have Individual Retirement Account (IRA). However, if the organization has not checked the **401(a) box** in Block "G" but the words such as "**Pension**", "**Retirement**", "**Profit Sharing**", or "**Welfare Plan**" are part of the organization name, process as a 401(a) filer.
- (2) Many of the organizations who file Form 990-T (401(a)) were assigned an EIN for the pension plan. Therefore, don't assign a new number for the trust until thorough research and organization correspondence, if necessary, is done.  
**Remember:** CC INOLE with Definer T will show the BMF and EPMF accounts for this EIN.
- (3) A 408 Trust Individual Retirement Account (IRA) will normally not have received an EIN. Before assigning an EIN take the following steps:
  - a. Research thoroughly.
  - b. If an EIN is found the name and account number (if present) must match exactly as shown on the return.
  - c. If it doesn't match what is on Master File, assign an EIN.
- (4) Assign a Form 990-T FRC of 2 via CC ENREQ/BNCHG to a Form 990-T for an IRA. Identify Forms 990-T for an IRA as follows:
  - The name on the form has the words "IRA" or "Individual Retirement Account"
  - Lines B or G have the box "IRC 408" checked.

**Note:** When assigning EINs, see **IRM 21.7.13**, Assigning Employer Identification Numbers (EINs).

- (5) When a Form 990-T is unprocessable and the EIN isn't on the BMF or the EIN doesn't appear to be the correct number for the organization, process as follows:
  - a. If the number isn't on the BMF and thorough research reveals the EIN was not assigned to another organization, use CC ENREQ/BNCHG to input TC 000, Doc. Code 63 with a Form 990-T FRC of 2 and the FYM.
  - b. On a 401(a) Trust: if the number belongs to the corporation (owner) of the pension plan, issue a new number via CC ESIGN MFI O. Use CC ENREQ/BNCHG with Doc. Code 63, TC 016, Form 990-T FRC of 2 and the FYM.



- c. If another EIN cannot be found or the number on the return appears to belong to another organization, issue a new number via CC ESIGN MFI O. Use CC ENREQ/BNCHG with Doc. Code 63, TC 016, Form 990-T FRC of 2 and the FYM.

3.13.12.9.12.5  
(01-01-2022)  
**Extension for Form 990-T**

- (1) Form 8868 is used to file an extension by the following types of Form 990-T filers:
  - Corporations
  - IRC 401(a) or 408(a) trusts
  - Trusts other than the above
- (2) An organization filing a Form 8868 receives an automatic 6-month extension.

3.13.12.9.13  
(01-01-2022)  
**Form 56**

- (1) See IRM 3.13.2 for processing instructions.
- Note:** Processing instructions should be followed in IRM 3.13.2 with the exception of the name control. When working Form 56 for EO accounts name control instructions found in IRM 3.13.12 should be used.

3.13.12.9.14  
(01-01-2022)  
**Forms 940, 941/944, and 945**

- (1) Use Circular E for resolving questions concerning Employer's Tax for Forms 941, 944, 940 and 945, employment returns for Exempt Organizations.
- (2) For processing instructions, see IRM 3.13.2.

3.13.12.9.15  
(01-01-2022)  
**Form 1120-C**

- (1) Form 1120-C is filed by Cooperative Associations.
- (2) Form 1120-C can be identified by 1120 FRC of 20.
- (3) The subsection must be 80/93 Status 12 MFT 02 and 1120 FRC of 20.

3.13.12.9.16  
(01-01-2022)  
**Form 1120-H**

- (1) A homeowners' association that **isn't** exempt under 501(c)(4) and is formed to make a profit will file a yearly Form 1120-H to take advantage of certain tax benefits. These benefits allow the association to exclude exempt function income from its gross income.
- (2) If a homeowners' association is non-profit and has received an official exemption as a 501(c)(4), the organization will file a yearly Form 990.
- (3) If the homeowners' association has not received its official exemption but claims to be a non-profit organization and files a Form 990, it should be set up on Master File with an EO Status Code of 36 and Form 990 FR.
- (4) A homeowners' association cannot switch back and forth from year to year, filing a Form 990 one year and a Form 1120-H the next year. They are either a non-profit that files a Form 990 or an association formed to make a profit and files a Form 1120-H. If a homeowners' association "switches" returns, process as follows:
  - a. If the association has an official exemption, notify the organization they must file a Form 990. Force post the Form 1120-H and return the module to its original exemption.

- b. If the association doesn't have an official exemption, post the return. Correspond with the organization telling them they are either a profit or a non-profit organization and they can't switch back and forth from year to year. Since this situation will be hard to enforce because there is no official exemption, accept the return as filed.

3.13.12.9.17

(01-01-2022)

**Form 1120-POL**

## (1) Form 1120-POL filing profile information:

- a. This return is filed by a political organization, that is a party, committee, association, fund (including a separate segregated fund set up by IRC 501(c) tax exempt organizations), such as a political action committee.
- b. An IRC 501(c) tax exempt organization generally files a Form 990 or Form 990-EZ if it files a Form 1120-POL.
- c. The Form 1120-POL is filed annually and due by the 15th day of the 4th month after the end of the tax year.
- d. The exempt function of a political organization is generally the function of influencing or attempting to influence the selection, the nomination, election, or appointment of any individual to any Federal, state, local public office.
- e. Exempt function income is the total of all amounts received from contributions of money or other property, membership dues, fees, or assessments paid by a member of a political organization, proceeds from a political fund-raising or entertainment event, or proceeds from the sale of political campaign materials, that are not received in the ordinary course of a trade or business or proceeds from the conducting of any bingo game (as defined in section 513(f)(2)) to the extent they are segregated for use only for the exempt function of the political organization.
- f. Political organization taxable income is the income for the tax year (excluding exempt function income) after allowed deductions directly connected with the production of gross income (excluding exempt function income). Taxable income is adjusted by a specific deduction of \$100 (newsletter funds are not allowed this deduction).
- g. A political organization, other than a newsletter fund, isn't required to file Form 1120-POL if its taxable income is \$100 or less before the specific deduction of \$100. Newsletter funds cannot claim the specific deduction of \$100.

## (2) All Forms 1120-POL are not open to public inspection and will not be scanned.

## (3) Refer to the table below for 1120-POL and 1120-H posting and filing requirements:

Tax Class	Doc Code	MFT	BO Date	WP Date	FY	FRC
3	10	02	Yes	No	Yes	09 - Political Organization 1120-POL 10 - Home Owners Association 1120-H

- (4) All Form 1120 filing requirements are incompatible with the following filing requirements:

- 1041
- 1065
- 1066
- All EO returns with few exceptions.

- (5) For processing instructions for other Form 1120 returns, see IRM 3.13.2.

3.13.12.9.18  
(01-01-2022)  
**Form 1041-A**

- (1) This return is filed to report the charitable information required by IRC 6034 and the related regulations.
- (2) For tax years beginning after 2006, split interest trusts as described in IRC 4947(a)(2) are not required to file Form 1041-A. Form 5227, Split Interest Trust Information Return, now meets the IRC 6034 filing requirements for split-interest trusts. However, for tax years that began before 2007, split interest trusts that have a filing obligation under IRC 6034 must file Form 1041-A.
- (3) This return doesn't require an EO section on the BMF. If an EO section is present, it must be in Status 12, with a Subsection Code of 90.
- (4) This return is only filed as needed, and the FRC on the BMF is established by the posting of the return.
- (5) This return **never** takes the place of the primary return, either the Form 1041 or Form 5227.
- (6) This return is filed for the following reasons:
- The taxpayer must file Form 1041-A for a trust that claims a charitable or other deduction under IRC 642(c), unless an exception applies.
- (7) A trust under 4947(a)(1) files a Form 990 or Form 990-PF and never files a Form 1041-A.
- (8) To delete a 1041-A FR, input TC 591 cc 020 to the module of the last Form 1041-A filed. To recall a module from retention, if necessary, process as follows:
- a. If the module is on CC BMFOLV, input CC MFTRA specific with the EIN, MFT and tax period. This action will generate a transcript. Once the transcript is received, fill out a Form 5248 and attach it to the transcript. Send both to the Retention Clerk. After the Retention Clerk activates the module, input the TC 591 cc 020.
  - b. If the module is on BMFOLI with an "R" indicator, input CC BMFOLB with the EIN, MFT and tax period. Wait a few days; then do a CC MFREQC to activate the module. Once the module is activated, input the TC 591 cc 020.
  - c. If the module isn't on CCs BMFOLV or BMFOLI, order a transcript using CC ESTABMZ with the appropriate EIN, tax period and MFT 36. When the transcript is received, attach it to Form 5248, and route the Form 5248 to Accounting to recover the module from Retention. When a TC 370 has posted, input TC 591 cc 020.
- (9) Refer to table below for 1041-A posting and filing requirements:

Transaction Code	Tax Class	Doc Code	MFT	FRC
150	4	81	36	Computer generated when the return posts.

(10) Refer to the table below for updating IDRS for Form 1041-A processing:

Type of Form 1041-A	Assign EIN with MFI 0	TC 000 without EO Section	EO Section not required. If present must be status 12
No EIN on return No EIN on EINAD	X		
EIN not on the BMF		X	
EIN on the MF			X

(11) Form 1041-A is compatible with Forms 5227 and 1041.

3.13.12.9.19  
(09-20-2023)  
**Form 4720**

- (1) Form 4720 is titled Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code (Sections 170(f)(10), 664(c)(2), 4911, 4912, 4941, 4942, 4943, 4944, 4945, 4955, 4958, 4959, 4960, 4965, 4966, 4967, and 4968).
- (2) Form 4720 is used to figure and pay the following:
  - Initial taxes on private foundations, disqualified persons, or foundation managers under sections 4941 through 4945 for self-dealing, failure to distribute income, excess business holdings, investments that jeopardize charitable purpose, and taxable expenditures.
  - Initial tax on certain supporting organizations and donor advised funds for excess business holdings under section 4943.
  - Section 4911 tax on excess lobbying expenditures by public charities that have elected to be subject to section 501(h) regarding expenditures to influence legislation (private foundations and section 4947(a) trusts aren't eligible to make this election).
  - Section 4912 tax on disqualifying lobbying expenditures that result in loss of section 501(c)(3) tax-exempt status.
  - Section 4955 tax imposed on any amount paid or incurred by a section 501(c)(3) organization that participates or intervenes in any political campaign on behalf of, or in opposition to, any candidate for public office.

- Section 4958 initial taxes on disqualified persons and organization managers of section 501(c)(3) (except private foundations), section 501(c)(4), and section 501(c)(29) organizations that engage in excess benefit transactions.
  - Section 4959 tax on the failure by a hospital organization to meet the community health needs assessment requirements under section 501(r)(3).
  - Section 4960 taxes on excess tax-exempt organization executive compensation.
  - Section 4965 taxes on prohibited tax shelter transactions.
  - Section 4966 taxes on taxable distributions by sponsoring organizations maintaining donor advised funds.
  - Section 4967 taxes on a donor, donor advisor, or related party, and a manager of a sponsor of a donor advised fund, relating to distributions that result in prohibited benefits from a donor advised fund.
  - Section 4968 taxes on net investment income of certain private colleges and universities.
  - Section 170(f)(10) tax on any premiums paid on a personal benefit contract in connection with a transfer to an organization or charitable remainder trust for which a charitable deduction isn't allowed to the transferor.
  - Section 664(c)(2) tax on unrelated business taxable income of a charitable remainder trust.
- (3) Taxes owed by the organization are reported in Part I only. Taxes owed by persons or entities other than the organization are reported in Part II.
- (4) Refer to the table below for Form 4720 posting and filing requirements:

Transaction Code	Tax Class	Doc Code	MFT	FRC
150	4	71	50	Computer generated when the return posts.

- (5) The Form 4720 is filed by the due date (not including extensions) for filing the organization's Form 990-PF, 990, 990-EZ or 5227. If non of these forms are required, the Form 4720 must be filed by the 15th day of the 5th month after the organization's accounting period ends.
- (6) The Form 4720 will post with subsection codes 03, 04, 29, 50, 60, 70 or 91.
- (7) If there's no EO section on the account, establish one with Status 40 per IRM 3.13.12.6.18.23, EO Status Code 40.

3.13.12.9.20  
(09-20-2023)  
**Form 4720-A**

- (1) Form 4720-A is obsolete as of January 2018. Form 4720 taxes are reported in Part I or Part II and are processed to the BMF. The following information is for historical purposes only.
- (2) Form 4720-A is used to assess initial taxes on managers, self-dealers, disqualified persons, donors, donor advisors, and related persons.

- (3) It isn't a standard form and is created by converting and/or photocopying Form 4720 and inserting a written "A" in red ink to the right of the form number 4720.
- (4) Form 4720, Part II-A:
  - Is used as the source of information to create Form 4720-A
  - Consists of all persons who owe tax in connection with the foundation or organization, whether as managers, self-dealers, disqualified persons, donors or related persons
  - Is prepared for each name entered in Part II-A of Form 4720
  - Is posted to Non-Master File

3.13.12.9.21  
(01-01-2022)  
**Form 5227**

- (1) Form 5227, Split-Interest Trust Information Return, is filed by Non-exempt Charitable Trusts under IRC 4947(a)(2).
- (2) The entity Subsection Code must be 90 with a Status of 12.
- (3) Return is filed by trusts that are created for the following reasons:
  - **Charitable lead trust** is a trust that pays a fixed annuity or unitrust amount to a charitable organization for a fixed number of years. Upon termination of the payments, the remainder interest is transferred to a non-charitable beneficiary.
  - **Charitable remainder annuity trust** is a trust under IRC 664(d)(1) that pays a fixed dollar amount, at least annually, to one or more beneficiaries, at least one of which isn't a charitable organization, for life, or for a specified number of years.
  - **Charitable remainder unitrust** is a trust under IRC 664(d)(2) similar to a charitable remainder annuity trust, except it pays, at least annually, a fixed percentage of the net fair market value of the trust's assets.
  - **Pooled income fund** is a common trust fund under IRC 642(c)(5) created and maintained by a charitable organization described in IRC 170(b)(1)(A). Donors to the fund receive a lifetime income interest and the charitable organization receives the remainder interest.
- (4) The FYM for Form 5227 must be a 12, unless filing a final return.

3.13.12.9.21.1  
(04-14-2023)  
**Form 5227 - Other Filing Requirements**

- (1) IRC 664 trust organizations are not required to file a Form 1041.
- (2) If the trust is other than a IRC 664 trust, Form 1041 is filed separately and is required to be filed. Check the Form 5227 to see how they answered the question **Did the split interest trust have any unrelated business income?** on Line G for tax year revisions 2020 and prior and Part VIII Line 7 for tax year revisions 2021 and subsequent.
- (3)
  - a. If the organization answered "yes" to the question, add the 1041 FR if necessary.
  - b. If the organization answered "no" to the question, check CC BMFOLI to see if the organization filed a Form 1041 for the prior year, or if there is an extension to file (TC 460) on Form 1041 for the current year. If no Form 1041 was filed for the prior year or an extension for the current year, remove the Form 1041 FR if it appears on the Master File.

- (4) A Form 1041-A must be filed for these organizations, unless the income is required to be distributed currently (income in and goes right back out).
- (5) A Form 1041 never takes the place of Form 5227.
- A Form 1041 is filed by regular taxable trusts.
  - A Form 1041-A may be filed by Form 1041 filers, whenever a charitable deduction is claimed on the return (Form 1041).
  - A Form 1041-A never takes the place of a Form 1041.
  - A Form 5227 is never filed by regular taxable trusts.
- (6) Refer to the table below for Form 5227 posting and filing requirements:

Transaction Code	Tax Class	Doc Code	MFT	Status Code
150	4	83	37	Entity sub-section code must be 90 with a status of 12

- (7) See the table below for updating IDRS for Form 5227 processing:

Type of Trusts	Required Returns	FRC
<ul style="list-style-type: none"> <li>• Charitable Remainder Annuity Trust under IRC 664(d)(1)</li> <li>• Charitable Remainder Unitrust under IRC 664(d)(2)</li> </ul>	5227	1. Form 5227 required to be filed (doesn't have unrelated business income). 2. Forms 5227 and 4720 required to be filed (has unrelated business income).
<ul style="list-style-type: none"> <li>• Charitable Lead Trust</li> <li>• Pooled Income Funds under IRC 642(c)</li> <li>• All other IRC 4947(a)(2) Trusts</li> </ul>	1041 and 5227	1. Forms 5227 and 1041 required to be filed.

- (8) The following is a list of compatible income tax returns for Form 5227:
- 1041-A
  - 4720
  - 1041
- (9) For additional information about trusts, see Revenue Procedure 83–32.

3.13.12.9.22  
(01-01-2022)  
**Form 5578**

- (1) Form 5578, Annual Certification of Racial Nondiscrimination for a Private School Exempt for Federal Income Tax, is filed by schools that are exempt under IRC 501(c)(3), and are not required to file a Form 990.
- (2) The entity Subsection Code must be 03 with a Foundation Code of 10 or 11 when the EO Entity Status is 01-02, otherwise the EO Entity Status must be 07 or 30.

**Note:** Place self-supporting organizations in Status 40 for which you cannot locate an exemption.

- (3) Very often, filers of Form 5578 reverse the entries on lines 1 and 2. When this occurs, edit the proper name control on line 1(a) and the proper EIN on line 1(b).
- (4) The entity filing Form 5578 is on line 1(a) and the EIN for the entity is on line 1(b).
- (5) Under Revenue Procedure 75-50, as modified by Revenue Procedure 2019-22, a certification of racial nondiscrimination must be filed annually by the 15th day of the 5th month following the end of the organization's fiscal year end. Always use the FYM indicated on IDRS.
- (6) Refer to the table below for Form 5578 posting and filing requirements:

Transaction Code	Tax Class	Doc Code	MFT	FRC
157	9	84	67	990 must equal "01", "02" or "06" with a Type of Foundation Code of "10" or "11"

- (7) Refer to the table below for updating IDRS for Form 5578 processing for church controlled schools:

Type of Form 5578	Assign EIN MFI "0" if an EIN isn't found	EOREQ TC 016 Status 01	EOREQ TC 016 Status 30
EIN not on the BMF no exemption	X		X
EIN on the BMF no exemption			X

- (8) Refer to the table below for updating IDRS for Form 5578 processing for self controlled schools:



Type of Form 5578	Assign EIN MFI "0" if an EIN isn't found	EOREQ TC 016 Status 01	EOREQ TC 016 Status 40
EIN not on the BMF no exemption	X		X
EIN on the BMF unable to locate exemption			X
EIN on the BMF IF able to locate GEN		Pilot Voucher	

**Note:** If research indicated the EIN on the return is correct and not on the BMF, input TC 000 with applicable status instead of TC 016.

3.13.12.9.23  
(01-01-2022)  
**Form 5768**

- (1) Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation, is filed by an organization that is exempt under IRC 501(c)(3) and files a Form 990 or Form 990-EZ.
- (2) The transaction posts to the entity module with the year the election is effective or revoked (the election year is shown with a TC 023 or 024) when CCs BMFOL, INOLE, or MFTRD is used for an Entity module request.
- (3) Refer to the table below for Form 5768 posting and filing requirements:

Generated Transaction Code	Tax Class	Doc Code	MFT	FRC
024 (election) 023 (revocation)	9	77	00	Form 990 FRC must be present

- (4) Refer to the table below for Form 5768 processing:

Type of Form 5768	Processing
No exemption, EIN not on the BMF	Research Master File. If no EIN is found, return the Form 5768 to the organization using letter 1224C or 3064C. Explain we must have an EIN to process Form 5768. Refer the filer to irs.gov for Form SS-4. Also explain the organization must be exempt to file Form 5768.
EIN on the BMF	Research EDS as applicable to determine if the organization has an application pending. If an EIN is found on Master File and the EO Section has SS 03, or an application pending, edit the EIN on Form 5768 and forward to Code & Edit for processing. If the account doesn't have an EO Section or the SS isn't 03, return the Form 5768 to the organization using letter 1224C or 3064C. Explain we don't have a record of the exemption and cannot process the form. Refer the filer to irs.gov for Forms 1023/1023-EZ/1024/1024-A.

3.13.12.9.24  
(01-01-2022)

**Form W- 3 from Social Security Administration**

- (1) Review Form W-3 and/or correspondence for an EIN:
  - a. If EIN is present, perform IDRS research using all available tools. Compare this data to the data found via CC's NAMEB, NAMEE.
  - b. If EIN isn't present, you must rely on the research.
- (2) Review Form W-3 and/or correspondence to determine if an Entity issue is present.
  - If yes, continue with IDRS research and resolve the taxpayer's entity issue.
  - If no, forward to the proper area for resolution.
- (3) If two EINs are found and taxpayer was assigned two numbers in error, consolidate EINs using CC ENREQ/BNCHG and TC011.
- (4) If the Form W-3 and/or correspondence indicates the taxpayer is no longer in business take the following actions:
  - If the taxpayer has filed a final return but the filing requirement is still on the EIN, input a TC 591 cc 020 for the first module the taxpayer will no longer be liable. Destroy the Form W-3 per local procedures.
  - If the taxpayer has filed a final return and filing requirements are not present, take no action and destroy the Form W-3 per local procedures.

- If the taxpayer has not filed a final return, correspond using 696C letter and request final returns.
- When requesting a final return using letter 696C, include the following information in an open paragraph; "We received information from the Social Security Administration (SSA) indicating you no longer have employees or are no longer in business. So we can remove your name from our mailing list for Form(s) X, please file the last return(s) for your employees. Show the last date wages were paid and mark each return final."

- (5) If Form W-3 is undeliverable, research for a better address. If found mail the Form W-3 to the new address. If unable to locate, input a TC 593/082 to change the exempt organization status to 21.

3.13.12.9.25  
(10-25-2022)  
**Canadian Charities**

- (1) As described in Notice 99–47, Guidance Relating to Article XXI of the United States-Canada Income Tax Convention, Canadian registered charities (CRCs, recognized as exempt in Canada by the Canada Revenue Agency) generally will be required to file Form 990 or Form 990-PF with the IRS if their U.S. sourced income is \$25,000 or more for the tax year.
- (2) CRCs are considered automatically exempt under section 501(c)(3) and aren't required to file a Form 1023 to apply for exemption with the IRS. Although exempt, a CRC will not have a presence on Master File until it requests to be listed. Also, a CRC is presumed to be a private foundation as described in section 509(a) unless it establishes its foundation classification as a public charity with the IRS. Form 8940, filed with EO Determinations, is used for these purposes. See IRM 7.20.4.5.1.1.1, Processing Canadian Charities, for additional information. If the CRC doesn't request foundation classification, it must file Form 990-PF.
- (3) Process as follows:
- a. Check for Form 8833. If the form isn't present, correspond with the CRC using letter 3064C requesting the form.
  - b. Check EDS for a favorable case record (Status Code 90).
  - c. If there is a determination case record and the return matches the foundation classification, post the return by establishing an EO section with TC 016, Doc. Code 80, Definer Code B, and Status 40. If Form 990-PF is filed, post the Form 990-PF and then remove the EO section with a TC 022.
  - d. If there is no determination case record and no Status Code 90 record but the CRC requests in the return (or in an attachment to the return) a determination of foundation classification, forward a copy of the request to the EO Determination Processing Office (DPO). Post the return by establishing an EO section with Status 40, post the Form 990-PF and then remove the EO section.
  - e. If there is no determination case record, no Status Code 90, and the CRC doesn't request in the return or attachment to the return a determination, but the Form 8833 clearly identifies the charity as a CRC and it has filed Form 990-PF, post the return by establishing an EO section with Status 40, post the Form 990-PF and then remove the EO section.
  - f. If the Status Code 90 record shows the CRC as revoked, don't post the return. Send the return back to the CRC explaining its charity status has been revoked, using the appropriate letter.

- g. If the CRC is supposed to file a Form 990-PF but erroneously files a Form 990, send the Form 990 back to the CRC explaining it must file a Form 990-PF, using the appropriate letter.
- (4) If the CRC submits its financial data to EO Determinations and has its foundation classification as a private foundation, process as follows:
  - a. If the EO section is established on Master File, the return will post to Master File.
  - b. If the EO section has not been established and a Form 990-PF unposts, research EDS for an "A" case. If the "A" case was established and a letter issued, research the Letter Generation System to determine the foundation classification and the type of return that must be filed.

3.13.12.10  
(01-01-2022)  
**EO Miscellaneous  
Procedures**

- (1) This section covers procedures for Form 3499, EO Information Transmittal and the Status 40 Process.

3.13.12.10.1  
(01-01-2022)  
**Form 3499, EO  
Information Transmittal**

- (1) Form 3499 is used whenever EO correspondence is referred to an area outside the campus; e.g., the EO Area Office in Dallas, Cincinnati, or National Office.

3.13.12.10.1.1  
(06-06-2022)  
**Preparation of Form  
3499**

- (1) Form 3499 is used to route documents. Three types are prepared in advance.
  - a. If you are sending cases to Cincinnati that are mergers or amendments, use the Form 3499 that has IRS TE/GE, PO BOX 2508, CINCINNATI, OHIO, 45201 in the "TO" section at the top of the form. At the bottom of the form, circle action codes if necessary, check the appropriate type of case in "Remarks", your name in the "From" section, and indicate your location, phone and date.
  - b. If the taxpayer is requesting a determination letter, use the Form 3499 that has IRS TE/GE, 550 MAIN ST, RM 4024, ATTN: RECORDS UNIT, CINCINNATI, OHIO, 45201 in the "TO" section at the top of the form. At the bottom of the form, circle action codes if necessary, check the appropriate type of case in "Remarks", your name in the "From" section, and indicate your location, phone and date.

**Note:** In lieu of the Form 3499, requests for determination letters may be faxed to the EO Correspondence Unit in Cincinnati at 855-204-6184.

- c. If you are forwarding a Form 1023, Form 1023-EZ, Form 1024, Form 1024-A, Form 8718, or Form 8734, route to IRS PO Box 12192, Covington, KY 41012. At the bottom of the form, circle action codes if necessary, check the appropriate type of case in "Remarks", your name in the "From" section, and indicate your location, phone and date.
- d. The Lead will review all correspondence routed to the EO Area Office, Cincinnati, or National Office.

3.13.12.10.2  
(01-01-2022)  
**Status 40 Processing**

- (1) Status 40 processing is automated.
- (2) Master File automatically generates the CP 120 notice monthly to all organizations in EO Status 40.

- (3) If an organization's status isn't updated to 01, 02, 21, 31, 36, 50-55, 71 or 99 within 190 days, Master File will automatically update the account to EO Status 41 with 1120 filing requirements.
- (4) Entity will receive correspondence and replies to the CP 120. If the case can be resolved with the information provided by the filer (e.g. determination letter, proof of subordinate of a group ruling, etc.) or through EDS research, update the account to the correct status.
- (5) If account cannot be updated, the system will automatically update the status to 41. No further action is required. Destroy correspondence and/or CP 120 per local procedures.

3.13.12.11  
(01-01-2022)  
**Correspondence**

- (1) Correspondence received from the taxpayer related to Exempt Organization accounts should be processed per instructions in this section.
- (2) If the filer requests a response, send the appropriate letter. Your response should read, "This is in response to your correspondence dated." If the letter isn't dated, use the postmark date. If the postmark date is unknown, use the date that is three days prior to the IRS received date.
- (3) A CP 576 is issued when an EIN is assigned from a return. CP 576 requests a Form SS-4 from the taxpayer. When the SS-4 is received, input any missing additional data from the SS-4 to IDRS, use CC ESIGN modifier "U" to update the Notice Information Code. Dispose of the SS-4 per IRM 21.7.13, Assigning Employer Identification Numbers.
- (4) Correspondence Imaging System (CIS) is an inventory system for scanning all Accounts Management (AM) receipts into digital images. AM works the cases from those images.
  - CIS returns are identified with "CIS Image. Don't correspond for signature" stamped below the signature line. "CIS Image" is annotated on the front of the return.
  - CIS Image prints should be handled in the same manner as original forms, documents or correspondence.
  - CIS images will be batched in correspondence.
  - EO Entity may receive CIS Images from EO Accounts and AM Call Site Assistors. When a CP 259A - 259H notice is attached to a CIS Image printed EO return, EO Entity will:
    - Follow the instructions on the routing slip.
    - Research IDRS for a TC 150; if present and the delinquency modules are satisfied, "destroy" the CIS image.
    - If the delinquency isn't satisfied, follow TDI (CP 259A-H) procedures.
- (5) Each campus should attempt to route IRS " C" (Correspondex) letters based on letter number or specific IDRS number range designated by the Campus for specific functional areas. Refer to IRM Exhibit 3.10.72-2, Correspondex C Letters - Routing Guide.

3.13.12.11.1  
(01-01-2022)  
**Going Out of Business  
or No Longer Liable**

- (1) **Going Out of Business or No Longer Liable**
  - a. An EO/BMF account may inform the IRS it is no longer liable for a particular return.

- b. Use CC BMFOL or CC INOLE to get the entity and the filing requirement for the return the organization states it is no longer liable for.
- c. If the research shows the EO Status is 20 or greater, process as follows:

If	Then
There are <b>no</b> EO filing requirements,	Take no further action.
There are EO filing requirements,	Close account by input of a TC 591 cc 020 via FRM 49.

- d. If research shows the EO Status is less than 20, check the current and prior year to see if the organization has filed this particular return.

If	Then
The organization is filing the return,	Send a 696C letter to the organization to file a final return.
The organization has not been filing that return,	Send a 696C letter to the organization to file a final return.
The organization states the business never opened,	Close the FR via TC 591 cc 020 and send a 696C letter.

- e. If the organization claims it isn't liable to file a Form 990 because it has gross receipts of \$50,000 or less and if it has a Form 990 FRC of 01, input TC 590 cc 020 and TC 016 to update the Form 990 FRC to 02. Updating the 990 FRC to 02 will automatically generate a CP 299 instructing the filer they are required to file an electronic 990-N.

**Note:** Refer to IRM 3.13.12.6.2.5 for further actions or procedures.

3.13.12.11.2  
(10-25-2022)

**Going into Business  
After Being Inactive or  
Change from  
Non-Employing to  
Employer**

- (1) Research IDRS.

If	Then
A previously assigned EIN is found,	<ul style="list-style-type: none"> <li>a. Reactivate or update the account, as necessary.</li> <li>b. Send a 3910C letter informing the organization of the correct EIN to use.</li> </ul>
A previously assigned EIN isn't found,	Initiate correspondence via letter 3910C, requesting a completed Form SS-4 or a copy of the EIN assignment notification.

3.13.12.11.3  
(01-01-2022)  
**Terminations**

- (1) **Exempt Organization Termination:** If an organization notifies the campus it is terminating its exemption, see IRM 3.13.12.6.18.10 for EO Status 20 instructions.

- (2) If an organization notifies the campus it is terminating or dissolving, and Articles of Dissolution are attached, determine the EO Status Code on CCs INOLE/ENMOD/BMFOLO.
  - a. If the EO Status Code is 01/02, determine if a final return has posted by researching CC BMFOLL for a Return Condition Code F or a TC 591 cc 020. If a final return or a TC 591 cc 020 has not posted, send a 696C to notify the organization they need to file a final return.

3.13.12.11.4  
(01-01-2024)  
**Status 97**  
**Correspondence**

- (1) Exempt organizations who fail to file a required annual information return or notice for three consecutive years will lose their tax exempt status. The organization will automatically be put in Status 97 on Master File.
- (2) If an account is determined to be correctly revoked and has an employment code of W, remove the employment code. If the filer is filing Form 941, update the filing requirements to include 940 filing requirements.
- (3) Before an organization is determined to have been erroneously revoked and updated to a good status, thorough research must be completed. The following should be considered:
  - Revocation is an ongoing process. The previous 3 years should be considered for review.  
**Example:** For 2023, tax periods 2020, 2021 and 2022 are reviewed for revocation.
  - When updating an account to a good status reference should be made to the Status 97 cycle chart below to ensure all input occurs before the next round of revocation. Failure to post all transactions will result in the account updating to Status 97.
  - When updating to a good status from status 97, always input a TC 590 cc 020 on the Form 1120 (MFT 02) or Form 1041 (MFT 05), whichever is on IDRS as the current filing requirement (if there's no filing requirement, input on MFT 02). Input the 590 020 on one of the two prior tax years (i.e., current year is 2022, input the 590 020 on 2021 or 2020) to avoid automatic revocation from reoccurring.  
**Note:** You will need to post delay the TC 016 input, updating the EO status, 1 cycle to allow the input of the 590 020 to post first.
  - Proof of electronically filed returns should be carefully reviewed. TE's should not rely on printed acceptance notices from filers but should research through the Employee User Portal (EUP) to verify acceptance and timely filing of electronically filed returns. Filers often provide copies of verification a return/extension was electronically submitted, but these aren't proof of IRS acceptance and shouldn't be used to reverse a revocation.
  - Accounts should not be considered erroneously revoked if the filer contributed to the error. For example filing under another EIN not belonging to the organization. Errors related to service errors should be considered erroneously revoked.
  - Extensions are not valid for Form 990-N (e-postcard).

<b>Status 97 Chart</b>
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<b>Extract Cycle/Date</b>	<b>Status 97 Date Tax Years 2020 2021 2022 FYMS Checked</b>	<b>Status 97 Date 2020 2021 2022</b>	<b>Status 97 Date Tax Years 2021 2022 2023 FYMS Checked</b>	<b>TC 016 Date to Prevent Revocation</b>	<b>TC 590 Input Date to Prevent Revocation</b>
04 01/21/2024	202401 08-11	202401 12,01-07	NA	11/28/2023-01/ 10/2024	11/28/2023-01/ 10/2024
08 02/25/2024	202402 09-11	202402 12, 01-08	NA	01/10/2024-02/ 21/2024	01/10/2024- 02/21/2024
13 03/24/2024	202403 10-11	202403 12, 01-09	NA	02/21/2024-03/ 20/2024	02/21/2024- 03/20/2024
17 04/28/2024	2024304 11	202404 12, 01-10	NA	03/20/2024-04/ 17/2024	03/20/2024- 04/17/2024
21 05/26/2024	NA	202405 12, 01-11	NA	04/17/2024-05/ 15/2024	04/17/2024- 05/15/2024
26 06/23/2024	NA	202406 01-11	202306 12	05/15/2024-06/ 18/2024	05/15/2024- 06/18/2024
30 07/28/2024	NA	202407 02-07	202307 12, 01	06/18/2024-07/ 17/2024	06/18/2024- 07/17/2024
34 08/25/2024	NA	202408 03-07	202308 12, 01-02	07/17/2024-08/ 21/2024	07/17/2024- 08/21/2024
39 09/22/2024	NA	202409 04-07	202309 12, 01-03	08/21/2024-09/ 18/2024	08/21/2024- 09/18/2024
43 10/27/2024	NA	202410 05-07	202310 12, 01-04	09/18/2024-10/ 16/2024	09/18/2024- 10/16/2024
47 11/24/2024	NA	202411 06-07	202311 12, 01-05	10/16/2024-11/ 20/2024	10/16/2024-11/ 20/2024
53	NA	NA	NA	NA	NA

- (4) Correspondence may be received from organizations who believe their tax exempt status was revoked erroneously. Use the following table in determining the appropriate actions to take:



If	Then
<p>The organization states they filed the return but under a different EIN,</p>	<ol style="list-style-type: none"> <li>a. Research for the correct EIN.</li> <li>b. If a different EIN is found, notify the organization of their correct EIN.  <b>Note:</b> Revocations are not necessarily considered erroneous if the filer submitted a return using an incorrect EIN.</li> <li>c. Research BRTVU and the EUP to determine if the name on the return the organization filed under the incorrect EIN matches the organization's name.</li> <li>d. If the return clearly belongs to the organization and was filed timely, update the account to a good status.</li> <li>e. If a 990-N was filed, input a TC 590 cc 020 for the period the return was filed, on the correct EIN. If a 990, 990-EZ or 990-PF was filed, route to Accounts Management to have the return re-processed to the correct EIN.</li> <li>f. If a different EIN isn't found and there is no indication the returns were filed, research SEIN to determine if the returns were received.</li> <li>g. If SEIN research indicates the returns were received prior to the due date of the return but did not post to Master File, make a copy of the return. Input a TC 594 cc 094 on the account and send the return for processing. Update the account to status 01 per the instructions above. Send a letter to the filer.  <b>Note:</b> The received date on the SEIN copy must be prior to the due date of the 3rd year return. If the received date is later than the due date, notify the filer their return was received after the due date of the third consecutive year and they must submit a Form 1023, 1023-EZ, 1024 or 1024-A and apply for a new determination. Do not update the status.</li> <li>h. If unable to locate a copy of the return, request copies of the returns and proof of timely filing from the filer (i.e. an IRS letter, postmark or notice referring to the return). Instruct the filer if they cannot supply proof of timely filing they must submit Form 1023, 1023-EZ, 1024 or 1024-A and apply for a new determination. Don't update the status.</li> </ol>

If	Then
<p>The filer submits copies of returns and proof of filing,</p> <p><b>Note:</b> Proof of filing is a copy of a postmark or receipt. Acceptance of electronic filing must be confirmed by checking the IRS EUP web site. Rejected returns don't constitute timely filings.</p>	<ol style="list-style-type: none"> <li>Ensure the received date is prior to the due date. Edit the original due date if necessary.</li> <li>Update the account to status 01 per the instructions above.</li> <li>Send a letter to the filer indicating tax-exempt status was corrected.</li> </ol>
<p>The filer submits copies of returns and proof of timely filing isn't included,</p>	<ol style="list-style-type: none"> <li>Update any entity information, if needed.</li> <li>Don't update status 97 or input a TC 599 or 594. Don't correspond with filer unless the filer requests specific information concerning their status.</li> <li>Destroy the copies per local procedures.</li> </ol>

(5) The following table includes additional information that can be used when working Status 97 correspondence.

If	And	Then
<p>The filer states the organization should not have been revoked because they have a letter stating they are not required to file an EO return</p>	<p>EDS/TEDS research shows the organization was given a 990-06, 990-13 or 990-14 filing requirement</p>	<ol style="list-style-type: none"> <li>Update the account to status 01 per the instructions above, inputting the correct filing requirement.</li> <li>Send a letter to the filer.</li> </ol>
<p>The filer states the organization should not have been revoked because they have a letter stating they are not required to file an EO return</p>	<p>EDS/TEDS research doesn't show the organization was given a 990-06, 990-13 or 990-14 filing requirement</p>	<p>Don't update the account. Instruct the filer they must send a copy of the letter to: TE/GE Correspondence Unit PO Box 2505 Room 4024 Cincinnati, OH 45201 Or fax the information to the EO Correspondence unit at 855-204-6184.</p>
<p>The filer states the organization should not have been revoked because they filed at least one return in the preceding three year period.</p>	<p>IDRS research shows at least one return was filed for the appropriate period and, if it was for the third year, the return was timely filed</p>	<ol style="list-style-type: none"> <li>Ensure the return(s) were received before the third consecutive year due date.</li> <li>Update the account to status 01 per the instructions above.</li> <li>Send a letter to the organization stating the account was updated.</li> </ol>
<p>The filer states the organization should not have been revoked because they filed at least one return in the preceding three year period.</p>	<p>IDRS research doesn't show at least one return was filed for the appropriate period or, if it was for the third year, the return was not timely filed.</p>	<p>Refer to IRM 21.5.1.4.2.4(3), Received Date - Determination, to determine timely filed returns. If necessary, correspond with the filer requesting proof of a timely filed return. If no proof is received, instruct the filer they must reapply.</p>

If	And	Then
Correspondence indicates the address isn't connected with the organization		Input a TC 593 cc 032 via FRM 49.
The filer states they should not have been revoked because they were not established for three years	IDRS research shows they were not established for at least three years	<p>a. Research BMFOLE for the TC 016 that updated the account to Status 97. Identifiers will be TC 016 with Definer Code B, date matching status update on INOLES. If the DLN of the TC 016 contains all 9s ending in 2, 3, 4 etc., update the account to status 01 per the instructions above. If the DLN doesn't contain 9s as stated above, do not update. TC 016 to input Status 97 was input manually by CSC.</p> <p>b. If determined the account should be updated, send letter to the filer.</p> <p><b>Note:</b> In determining whether an organization is required to file, the established date should be used regardless of the ruling date or if the organization states they were not active.</p>
Filer states they have not been organized for 3 years	IDRS research indicates the organization was established for at least 3 years	Route the case to TE/GE adjustment unit. TE/GE Adjustment Unit PO Box 2508 Rm 4010 Cincinnati, OH 45201 Or fax the information to the EO Correspondence unit at 855-204-6184.
Filer provides a new or recently received (within last 3 years) determination letter		Update the account to status 01 per EDS information.
The account is in Status 97	the filer indicates they are no longer in business	zero out the Form 1120/1041 filing requirements. Don't input a TC 591 or update the status to 20. If filer requests, correspond and notify them all filing requirements were closed.
Filer states they were revoked in error stating they terminated their exempt status before revocation	they provide evidence they filed a final return or submitted a 990-N marking the termination box	<ol style="list-style-type: none"> <li>1. Update the account to status 01 per the instructions above.</li> <li>2. Once posted, update the account to status 20 using the year and month the final return/ 990-N was filed.</li> </ol>

If	And	Then
The organization indicates their FYM is other than what is indicated on Master File		<ol style="list-style-type: none"> <li>Research EDS to determine the FYM used to establish the organizations determination.</li> <li>If the FYM requested by the organization matches EDS and at least one return was filed before the third consecutive year due date, update the account to status 01 per the instructions above and send the appropriate letter. If returns need to be moved from one tax period to another route to Accounts Management at M/S 6552.</li> <li>If EDS doesn't match FYM of organization, research Master File and SEIN to determine previous filings. If organization has filed at least one return before the third consecutive year due date, update the account to status 01 per the instructions above. Send a letter to the filer.</li> <li>If unable to determine correct FYM, notify the filer they must submit an application to obtain tax exempt status. Don't update account or change FYM.</li> </ol>
Organization states they attempted to file a 990-N prior to the deadline of the third year and were unable to do so		<ol style="list-style-type: none"> <li>Research the EUP to determine date and cause of the rejection.</li> <li>Research BMFOLE to determine if a TC 016 was input prior to the due date of the third year.</li> <li>If a TC 016 prior to the due date of the third year is present and the filer indicates the organization requested the Service submit the 990-N on their behalf, update the account to status 01 per the instructions above, and send the organization a letter. <b>Note:</b> Check AMS history for any additional information that supports the organizations information.</li> <li>If necessary request a copy of the reject notice that was sent to the organization.</li> </ol>
The organization requests to change their ruling to a church or states they are a church		<p>Route the case to TE/GE adjustment unit. TE/GE Adjustment Unit PO Box 2508 Rm 4010 Cincinnati, OH 45201 Or fax the information to the EO Correspondence unit at 855-204-6184.</p>

If	And	Then
The organization is a presumptive 990-PF filer (advance ruling period ended prior to June 2008 and the organization did not submit a Form 8734)	foundation code is 04	<p>a. Check advance ruling date on INOLES. If all "0" research EDS.</p> <p>b. Research the second page in EDS to determine advance ruling ends date. If the date is prior to June 2008 the organization did not file a Form 8734.</p> <p>c. If the advance ruling date is all "9" then the organization was not required to file a Form 8734.</p> <p>d. This information should be used to determine what form the organization was liable for in the 3 year time frame prior to revocation.</p> <p><b>Note:</b> All 990-PF returns were required to be filed by the due date of the third year to avoid revocation. No relief was offered for private foundations filing form 990-PF.</p>
Organization states they timely filed with the Virgin Islands		<p>a. Check the received date on the return. If received date is prior to the due date of third consecutive year and is a valid IRS received date (Virgin Island received date isn't considered valid), update the account to status 01 per the instructions above and send a letter to the filer.</p> <p>b. If a valid received date prior to the return due date isn't present, instruct the filer they must reapply. Don't update the account.</p>
The organization is a Single Member LLC or Disregarded Entity		<p>Route to EO Determinations in CSC at the address below.</p> <p>Internal Revenue Service EO Determinations 550 Main St Room 4024 Cincinnati, OH 45202</p>
The organization is a government entity		<p>Send correspondence to:</p> <p>Internal Revenue Service TE/GE Correspondence PO Box 2505 Room 4024 Cincinnati, OH, 45201 Or fax the information to the EO Correspondence unit at 855-204-6184.</p>

If	And	Then
<p>The organization is a subordinate in a group ruling and states they filed as part of a group return</p>		<p>a. Research to determine if a group return was filed. A group return can be identified by presence of a GEN (Group Exemption Number) and 990-03 filing requirements.</p> <p><b>Note:</b> Parent organizations (identified by affiliation code 6 or 8) cannot file as part of the group but must file a separate return.</p> <p>b. If a group return was filed, check the group code or list of subordinates to determine if the subordinate was included.</p> <p><b>Note:</b> Group code 7 indicates all of the subordinates are included. Group code 8 indicates all of the subordinates are <b>not</b> included and a list of subordinates that are included should be attached to the return. If a list is attached to the return it can be viewed on SEIN.</p> <p><b>Note:</b> If the group return contains all zeros, it isn't a valid return. Send a letter stating the subordinate must re-apply for tax exempt status.</p> <p>c. If the subordinate was included in the group return, update the account to status 01 per the instructions above. When the account is in a good status, input a TC 590 cc 014 to indicate subordinate was included in the group return and send a letter to the filer.</p> <p>d. If the subordinate doesn't have the same GEN as the group return, they cannot be included as part of the group return. Do not update. Notify the organization they must apply for tax-exempt status.</p> <p>e. If the subordinate was not included in the group return, do not update. Notify the organization they must apply for tax-exempt status.</p> <p>f. The FYM of the subordinate must match the FYM of the group return. If the FYM doesn't match the FYM on the group return, update the account to status 01 per the instructions above, along with the FYM, if they are included in the group return. When the account is in a good status, input a TC 590 cc 014 to indicate subordinate was included in the group return and send a letter to the filer.</p> <p><b>Note:</b> The FYM doesn't have to match if the subordinate organization files a separate return.</p>

If	And	Then
The organization was a subordinate in a group ruling	the parent is revoked but the subordinate isn't in status 97	<ol style="list-style-type: none"> <li>Determine if the organization is a 501(c)(3), (4), (9), (17) or (29). If so the organization must apply for an individual ruling.</li> <li>Update a 501(c)(3), (4), (9), (17) or (29) to status 40.</li> <li>If the organizations is other than a 501(c)(3), (4), (09), (17) or (29) update the account to Status 36.</li> </ol> <p><b>Note:</b> A TC 022 must be input prior to updating to status 36 or 40. See IRM 3.13.12.6.2.6, TC 022, for input procedures.</p>
Parent is requesting deletion of a subordinate from the group exemption	the subordinate is in Status 97	<ol style="list-style-type: none"> <li>Delete the parent name from the primary name line.</li> <li>Use the sort name for the primary name line.</li> <li>Don't take any actions to update the submodule.</li> <li>Respond to the parent the actions to delete the subordinate were taken.</li> </ol> <p><b>Note:</b> Status 97 indicates no longer part of group ruling in addition to revoked.</p>
Organization states they are a homeowners association		<ol style="list-style-type: none"> <li>Remove the subsection using a TC 022.</li> <li>Add 1120-10 filing requirements.</li> </ol>
Organization states they are a state chartered credit union	Master File indicates they are part of a group ruling and the parent is revoked	State chartered credit unions are required to file a return. If a return has not been filed for 3 consecutive years, send a letter stating they must re-apply. If they have filed and just the parent is revoked, remove the GEN and update the account to subsection 14, classification 1 and status 36. Use current month and year for status date.
Organization states they are a federal credit union or was ruled as a 501(c)(1) organization	The account is listed on the NCUA website as a Federal Credit Union or EDS research indicates the organization was determined to be a 501(c)(1) organization	Route the case to CSC Correspondence Unit PO Box 2508 Room 4010 Cincinnati, OH, 45201 Or fax the information to the EO Correspondence unit at 855-204-6184.
Filer states this is a new organization requiring a new EIN	provides copy of state charter, articles or incorporation or new by-laws	<ol style="list-style-type: none"> <li>Update the new EIN to a good status.</li> <li>Don't consolidate the old and new EINs.</li> <li>Add the date of the charter, incorporation or new by-laws to the sort name line of the new EIN to differentiate from the previous organization.</li> <li>Don't update the old EIN, remove 1120 filing requirements or request removal from the revocation list.</li> </ol>



- (6) If an organization is updated to Status 01, a letter must be sent to the filer notifying them of the correction.
- (7) If an organization isn't updated, a letter must be sent providing information on reapplying for tax-exempt status.
- (8) The following should be considered prior to updating an account from Status 97 to Status 01.
  - A calendar year filer should file at least one timely return for 201812, 201912 and 202012. If the organization is a fiscal filer with a period ending in March, then it must file at least one timely return for 201803, 201903 and 202003. The revocation process is ongoing. An organization is subject to revocation if it fails to file at least one timely return in any 3 year period.
  - If the DLN of the extension (TC 460) is exactly the same as the DLN of the TC 150 for a 2010 return (tax period 2009), then the extension was not one filed by the organization (i.e. it isn't valid) and any return/notice filed after the normal due date is considered delinquent.
- (9) If correspondence is received and research doesn't indicate this was an erroneous revocation, a letter must be sent to the filer stating they must reapply for tax-exempt status.
- (10) If the taxpayer asks about the periods the organization is required to file a taxable return, correspond and explain the requirement begins with the effective date of revocation. Example: If an organization that is a calendar year filer is revoked effective May 15, 2021, then, unless it applies for and receives exemption retroactive to the date of revocation, it should file a taxable return for the period from May 15, 2021, through December 31, 2021, and continue filing taxable returns until it terminates or it applies for and receives exemption.
- (11) If an account is updated but the TC 150 is past the due date a TC 590 cc 020 must be input on the tax module for the third year return to stop revocation. For example, Master File indicates the return is past due but the organization provides proof of timely submission (certified mail receipt etc). Programming will only research for a timely filed return.
- (12) A list of erroneously revoked organizations updated to status 01 from status 97 should be compiled and sent to the SPP Analyst weekly.

3.13.12.11.5  
(01-01-2022)  
**Name Changes**

- (1) **Change in Name on an Exempt Organization Account**
  - a. Any request to change a name of an EO account must be accompanied by appropriate documentation in order to be considered.
 

**Exception:** If the requested name change is the same as the name on EDS, for a church, or government entity apply the change to Master file. No documentation is required.
  - b. If the organization is a 0 on BMFOLO, change name as requested if the name change box is checked or correspondence requesting name change is received. No documentation is required.
  - c. If the type of organization is a 1 on EDS or on BMFOLO, the organization is incorporated with the state. A State approved amendment to the articles of incorporation is required. In addition, the Certificate of



Amendment must reflect both the old and the new name of the organization. If the name change is on the Secretary of State's web site, no documentation is required.

- d. If the type of organization is a 2 on EDS or on BMFOLO, the organization is a trust. An amendment to the trust agreement is required along with the trustee(s) signature.
- e. If the type of organization is a 5 on EDS or on BMFOLO, the organization is an unincorporated association. An amendment to the articles of association, constitution, by-laws or other organizing document is required along with signatures of at least two officers/members.
- f. If the correspondence has the appropriate documentation, or is on the Secretary of State web site, input a TC 013, Doc. 63. Send a 252C letter.
- g. If the correct documentation isn't provided, inform the organization the name change cannot be made until the required information is provided. Tell them what information is required, based on their type of organization.
- h. If necessary, change the name on the P tape.
- i. If the name change is for the sort name or DBA, it isn't necessary to request documentation. Change the sort name or DBA as requested by the filer.
- j. If a TC 013 was input within the last 60 days and a 252C letter was not sent, send one. This does not apply when working SGRI's.

3.13.12.11.6  
(01-01-2022)

#### Change in Address

- (1) Correspondence indicating address changes may be directed to EO Entity for necessary action. Input TC 014 Doc. Code 63.

3.13.12.11.7  
(01-01-2022)

#### Change in Fiscal Year End

- (1) Correspondence may be received from the organization indicating their fiscal year end was erroneously changed to 12 during Form SS-4 processing. If this is the case, update the fiscal year end to the month stated by the organization.
- (2) Correspondence may be received from exempt organizations requesting their FYM be changed. If the organization has not changed their FY in the past 10 years, make the requested change. If the organization has changed their FY in the past 10 years, they are required to file Form 1128. See IRM 3.13.12.18 for Form 1128 procedural instructions.
- (3) If the organization is corresponding on a trust account, be sure the trust is an IRC 501(a) type trust or a charitable trust described in Code IRC 4947(a)(1) before updating to a fiscal year. **These are the only types of trust eligible to be on a fiscal year end.**

3.13.12.11.8  
(01-01-2022)

#### Mergers

- (1) There are three types of Exempt Organization mergers:
  - Group mergers
  - Subordinate mergers
  - Private rule mergers

3.13.12.11.8.1  
(01-01-2022)

#### Group Mergers

- (1) Correspondence received for a **merge of two group rulings or two groups merging and forming a new group**, should be forwarded to Cincinnati. Once Cincinnati has approved the merger, they will notify EO Entity at the Ogden Submission Processing Center to input the appropriate actions.
- (2) Research EDS to determine if there is an open case. If there is an open case:

- a. Forward the correspondence to the agent assigned the case.
- b. Notify the organization of the transfer of the correspondence with an 86C letter.

(3) If there is no open case on EDS:

- a. Send the correspondence to the Cincinnati Determinations Processing Office (DPO) with a Form 3499 attached indicating to "Establish T (Termination) or A (Amendment) case".
- b. Notify the organization of the transfer of the correspondence with an 86C letter. Also, if necessary, notify the organization amended organization documents are required to merge groups rulings; indicate the organization should send the amended organizing documents to Cincinnati campus (include Cincinnati's address).

3.13.12.11.8.2  
(01-01-2022)

#### **Subordinate Mergers**

(1) To merge subordinates:

- a. Determine from appropriate research if the entity data for the surviving corporation is correct. If not, correct the entity as required.
- b. Update the non-surviving account to Status 26. This will prevent future merging to consolidation to the non-surviving account. Use CC EOREQ/EOCHG with Doc. Code 80 TC 016 Definer Code B to update the EO Status Code to 26. The status code date should be the date of the merger if known; if not known, use the current year and month. Always input the x-reference EIN.

3.13.12.11.8.3  
(01-01-2022)

#### **Individual Ruling Mergers**

(1) If two organizations are merging and are not covered under a group ruling, then perform research.

- a. Determine if the entity data for the surviving corporation is correct. If not, correct the entity as required.
- b. Notify the taxpayer, using the appropriate letter, to continue to use the established taxpayer's identification number for the surviving organization, and the discontinued business should file its last returns marked "final".
- c. If not required to file, i.e., if the FR is Form 990>02, close out the non-surviving organization's filing requirements with TC 591 cc 020.
- d. Notify Cincinnati of the merger.

3.13.12.11.9  
(01-01-2022)

#### **SGRIs**

(1) **Supplemental Listings Under a Group Ruling:** See IRM 3.13.12.12, Group Rulings.

3.13.12.11.10  
(07-05-2023)

#### **Tax Exempt Organization Search (formerly EO Select Check)**

(1) Inquiries concerning information on the Tax Exempt Organization Search (TEOS) site may be received, such as (but not limited to): organization is omitted from TEOS; organization's name is misspelled or wrong; organization would like to be known under another name; alphabetization of TEOS placed them in the wrong location. Perform IDRS research to determine the correct course of action to take.

- a. If the organization is omitted from TEOS, determine if they have an EO section and that it's in a good tax-exempt status and returns have been filed. If there's no EO section or the EO section isn't in a good tax-exempt status, they won't show on TEOS. If an organization has recently

received a determination and they haven't filed a return yet, they may not show on TEOS. Send a letter to the organization letting them know they will appear on TEOS once they file a return.

- b. If a name is misspelled on IDRS, TEOS will reflect the misspelling; correct the spelling on IDRS. The name on TEOS will update with the posting of the next return filed.
- c. If the organization states they changed their name, but TEOS shows the wrong name, research IDRS. If the name on IDRS isn't updated, TEOS won't reflect the updated name. If they provide verification of the name change, input the action to update the name on IDRS. The name on TEOS will update with the posting of the next return filed.
- d. TEOS is updated the first Monday of the month (except for the month of January; all updates in December and January are updated the first Monday in February). If a recent return and/or input action posted after the first Monday of the month, inform the organization the updates will appear on TEOS on the next monthly update.
- e. Any inquiries beyond EO Entity scope, send to the TE/GE analyst at Mail Stop 1110 on Form 12634. Explain the reason for the referral and attach the correspondence.

3.13.12.11.11  
(01-01-2022)

**Employer Identification  
Number (EIN)  
Corrections**

- (1) This section covers correspondence procedures when a corrected Employee Identification Number (EIN) is different from the EIN provided on the return.
- (2) Perform all the necessary research to determine if the EIN on the return is correct using CC NAMEB or CC NAMEE.
- (3) If the EIN is correct, continue processing.
- (4) If the EIN on the return isn't correct, correspond using letter 3910C or other appropriate letter to notify the filer of their correct EIN. Use the most current address on the filer's module.
- (5) A letter doesn't need to be sent if the following conditions apply:
  - a. Filer is using an SSN.
  - b. The EIN is missing digits, the digits are transposed, or only one digit is incorrect excluding transposed digits.
  - c. The EIN has merged with another number.
  - d. The EIN was recently established with a TC 000.
  - e. A letter was previously sent to the filer; however, if it's been more than 60 days since the previous letter was sent, send another letter or if unable to determine if a previous letter notified the filer of their correct EIN, send a letter.

3.13.12.11.12  
(01-01-2022)

**Requests for EIN**

- (1) Perform all necessary research to determine if an EIN was previously assigned.

If	Then
An EIN is located:	<ol style="list-style-type: none"> <li>Notify the organization of the previously assigned EIN with the 3910C or other appropriate letter.</li> <li>Update the organization's account, if necessary.</li> <li>If requested, refer the filer to irs.gov for any forms or publications.</li> </ol>
No EIN is located,	Correspond with the organization using letter 45C and request the completion of the enclosed Form SS-4.

3.13.12.11.13  
(01-01-2022)

**No Reply to Previous  
EIN Application**

- (1) If the organization indicates they had previously applied for an EIN and received no reply, search IDRS for a previously assigned EIN.

If	Then
Previously assigned EIN is located:	<ol style="list-style-type: none"> <li>Compare the address on the correspondence with address shown as a result of research.</li> <li>Update the account if a change in address is indicated on the correspondence.</li> <li>Notify the organization of the EIN assigned using 3910C or other appropriate letter.</li> </ol>
No previously assigned EIN is located,	Send letter 45C.

3.13.12.11.14  
(01-01-2022)

**Retaining Old EIN**

- (1) If an organization indicates they had a previous EIN and is requesting retention of this number:
- Follow research guidelines to determine if the organization can retain the "old" EIN; i.e., it has the same FR. If a filer indicates they are filing for tax-exempt status using an EIN that has BMF filing requirements, update the account and allow the filer to retain the old EIN.
  - Update the organization's account per correspondence.
  - Send a 3910C or other appropriate letter if verification is requested by the organization.
- (2) If the organization is notified of the assignment of a new EIN but insists on retaining the "old" EIN, process as follows:
- Research other EINs thoroughly on IDRS.
  - Determine from the information if the organization can retain the "old" EIN.
  - Update the account, if needed.

- d. Consolidate the accounts (TC 011), if necessary. A CP 209 is generated notifying the organization of the actions taken. If the consolidation isn't a full consolidation, send letter 139C.
- e. If the organization cannot retain the EIN requested, correspond informing the organization the reasons why the new EIN must be used.

3.13.12.11.15  
(01-01-2022)  
**Verifying EINs for TIN  
Penalty/Backup  
Withholding Purposes**

- (1) Correspondence will be received requesting assistance because the organization received a notice from a bank, financial institution, or payer. Notice is sent to entities that are currently not posted or incorrectly posted to the BMF or EIN/Name Control file. These entities are creating problems for the TIN Penalty Program and if they are not added to the BMF, backup withholding may be erroneously imposed on these accounts.
- (2) The majority of these cases will be accounts established on the NMF prior to 1985. Therefore, researching the EIN provided by the organization will result in no account found for that organization.
- (3) If research shows nothing, don't tell the organization the number is valid just because it is in the valid range. Establish the taxpayer's account on the BMF with TC 000 with no filing requirements. If unable to establish the account with TC 000, establish the account via CC ESIGN. Suppress the notice of EIN assignment.
- (4) Correspond with the organization with a 3910C or other appropriate letter informing them their EIN is correct and we have corrected our record.
- (5) If the notice is for an EIN assigned to another organization, assign a new EIN to that organization. Suppress the notice of EIN assignment.
- (6) Correspond with the organization with a 3910C or other appropriate letter informing them of their new EIN. Be sure to remind them to inform their bank or financial institution of this change.

3.13.12.11.16  
(01-01-2022)  
**Railroad Retirement  
Board**

- (1) Correspondence from National Office concerning the Railroad Retirement Board (RRB) will be forwarded to the Entity Control function.
- (2) This correspondence provides documentation of the approval by the RRB of the employer status of the applicant.
- (3) Entity Control should verify the organization is, in fact, established on Master File as a Form CT-1 and Form 941 filer.
- (4) Research to determine if the organization is on Master File with a Form CT-1 filing requirement:
  - a. If the organization is on the BMF with a CT-1 FR, no further action is required. Dispose of the documentation according to security guidelines.
  - b. If the organization is on the BMF without a Form CT-1 FR, correspond with the organization to determine the correct filing requirement. Update the account according to the organization's response using CC BNCHG, TC 016 and CC FTDRQ as applicable.
  - c. If the organization isn't on the BMF, establish the organization using CC ESIGN, NID, with a Form CT-1 filing requirement. Notate in REMARKS>ENTITY ESTABLISHED FROM RRB DOCUMENTATION. Notify the organization of the EIN assigned using 3910C or other appropriate letter. Input CC FTDRQ as applicable.

3.13.12.11.17  
(01-01-2022)

**Mortgage Credit  
Certificate (MCC)  
Notification, Notice of  
Defeasance, and Student  
Loan Bond Notification  
Overview**

- (1) This section contains procedures for processing MCC notifications, Notice of Defeasance, and Student Loan Bonds.

3.13.12.11.17.1  
(01-01-2022)

**General**

- (1) General background information is provided about the following notifications:
- Mortgage Credit Certificate (MCC) notification (correspondence)
  - Notice of Defeasance (correspondence)
  - Student Loan Bond notification (correspondence)
- (2) The nature of work that service center personnel are expected to perform on these returns, documents and correspondence are also described in the following sections.

3.13.12.11.17.1.1  
(01-01-2022)

**Background**

- (1) **Mortgage Credit Certificate** notifications are written statements to notify the IRS that the Issuer has elected to issue Mortgage Credit Certificates in lieu of qualified mortgage revenue bonds. (In general, a program is a qualified mortgage credit certificate program if an Issuer elects not to issue a specified amount of qualified mortgage revenue bonds that it may otherwise issue during a calendar year.) The election should be entitled Mortgage Credit Certificate Election and must include the information specified in Temporary Regulations 1.25-4T(c)(2).
- A separate Mortgage Credit Certificate Election is filed for each program.
- (2) **Notice of Defeasance** are written statements of an irrevocable defeasance escrow established to redeem tax-exempt bonds on their earliest call date.
- A separate Notice of Defeasance is filed for each escrow.
- (3) **Student Loan Bond** notifications are written statements to notify the IRS that the Issuer is electing to issue a taxable bond.
- (4) Entity will receive MCCs, Notice of Defeasance, and Student Loan Bond notifications from Batching. Entity will perform research, perfection and correspondence procedures. Once perfected, Entity establishes a fact of filing on Master File. The transaction will be established on CC ENMOD as a TC 971, action code (ac) 34X, or 314. Once complete, Entity will forward the return to files.

3.13.12.11.17.1.2  
(01-01-2022)

**Amended Returns**

- (1) If the taxpayer files an amended return using the same EIN, process as an original.

**Note:** At this time, these returns are processed for fact of filing purposes only. Therefore, there can be multiple Transaction Codes 971 ac 344/345/314 on CC ENMOD.

- (2) If the lender files an amended return, correcting the EIN, Entity will input a TC 972 ac 34X/314 to reverse the incorrect posting. A fact of filing will then be input using the correct EIN.
- (3) A TC 972 ac 344/345/314 on CC ENMOD indicates the fact of filing was reversed.
- 3.13.12.11.17.1.3  
(01-01-2022)  
**Due Dates**
- (1) **Mortgage Credit Certificate Elections** are due December 31st of the year in which the election is made.
- (2) **Notice of Defeasance** are due within 90 days of the date of the establishment of the defeasance escrow.
- (3) **Student Loan Bond Notifications** are due prior to the issuance of the taxable bond. For additional information, see temporary Regulations 301.9100-6T(c).
- 3.13.12.11.17.1.4  
(01-01-2022)  
**Remittance for MCC, Notice of Defeasance, and Student Loan Bonds**
- (1) MCCs, Notice of Defeasance, and Student Loan Bonds are non-remit. On occasion, remittance may be received for penalty payment. If remittance is received for a penalty payment, apply to the 20-2325 "Miscellaneous Forfeiture Receipts Account".
- 3.13.12.11.17.1.5  
(01-01-2022)  
**Signature**
- (1) Currently, a signature isn't required.
- 3.13.12.11.17.2  
(01-01-2022)  
**Entity - MCC notifications (correspondence), Notice of Defeasance, and Student Loan Bonds**
- (1) The following will be performed by Entity.  
**Entity will:**
- Receive documents from Batching,
  - Perform research and perfection, and
  - Input a fact of filing on CC ENMOD.
- Note:** These instructions don't pertain to MCC Forms 8329, 8330 or 8703. Refer to IRM 3.13.2.8.22, Miscellaneous Forms.
- (2) If multiple documents for the same issue are received at the same time, only input one TC 971 ac 3XX. Band all documents together into one source doc. This will allow the entire package to be retrieved by ordering the one TC 971.
- (3) A fact of filing is established by inputting the following transaction on CC ENMOD:
- Mortgage Credit Certificate**, TC 971 ac 344
  - Notice of Defeasance**, TC 971 ac 345
  - Student Loan Bonds**, TC 971 ac 314
- (4) To establish a fact of filing, input a TC 971 ac 34X/314, using the following procedures:
- Input CC ENMOD
  - Input CC REQ77 with the EIN, on the return, on the first line, MFT **00** and Tax Period **000000** on the second line, and the Name Control on the third line, then enter (page up) to generate the FRM77 screen



(5) Input the following on the FRM77 screen:

- TC>**971**
- TRANS-DT>**MMDDYYYY**

**Note:** TRANS-DT is the return received date the TP indicates the MCC is for and/or the bank statements indicate the MCC is for or the return processable date, whichever is later.

- In the TC 971/151-CD> field input **34X or 314**
- Input Remarks: **MCC, Notice of Defeasance, or Student Loan Bond-** (whichever is applicable)

(6) If the lender files an **amended return using the same EIN as original omission**, process as an original.

**Note:** At this time, these returns are processed for fact of filing purposes only. Therefore, there can be multiple Transaction Codes 971 ac 344/345/314 on CC ENMOD.

(7) If the lender files an **amended return, correcting the EIN**, reverse any TC 971 ac 344/345/314 on the incorrect account with a TC 972 ac 344/345/314 with CC REQ77/FRM77. Input TC 971 ac 344/345/314 using the correct EIN on CC ENMOD. **See (2)-(5) above** for fact of filing input procedures.

(8) Maintain source document (MCC and Notice of Defeasance) in input order, place in an IDRS gusset folder and send to files.

(9) The same Entity perfection criteria that applies to Tax-Exempt Bonds apply to MCC and Notice of Defeasance. **NO CHANGES** of any kind will be made to entity data on the Master File. See IRM 3.11.26.5, Entity Perfection - Tax Exempt Bonds Mortgage Credit Certificates Notification (Correspondence) Notice of Defeasance and Student Loan Bonds, for Entity perfection procedures.

#### 3.13.12.12 (01-01-2022) **Group Rulings**

(1) This section covers GEN file processing, assignment of GEN numbers, new group exemption letters, processing of new groups, updates to group rulings, processing SGRIs, and state-charter credit unions.

#### 3.13.12.12.1 (01-01-2022) **GEN File Processing**

- (1) The GEN file at MCC is issued to control the parent and subordinates for each Group Exemption Number. It ensures each group has only one parent.
- (2) The GEN file, an internal control file at MCC of all GENs, contains the following information:



Parent	Subordinate
EIN	EIN
Affiliation Code 6 or 8	Affiliation Code 7 or 9
GEN	GEN
Name Control	Name Control
Cycle Posted	Cycle Posted
Organization Name	

- (3) Every entity change transaction that contains a NEW GEN or a FROM GEN will be passed against the GEN file.
- (4) When the input Affiliation Code is 7 (state) or 9 (subordinate), the parent must be on the GEN file or it will unpost with UPC 370.
- (5) When the input Affiliation Code is 6 (parent) or 8 (parent of a church), it will unpost with a UPC 370 if the input NEW GEN matches a GEN on the GEN file.

3.13.12.12.1.1  
(01-01-2022)  
**Doc. Code 80  
Transactions**

- (1) Document Code 80 transactions containing a GEN are passed against the GEN file for GEN verification.
- (2) An update record is generated to add the account to the GEN file when the transaction posts to the BMF. This update record posts to the GEN file one cycle **after** the TC 016 has posted to the BMF.
- (3) When the GEN file updates, it posts any delete records prior to any add or change records. It is important to cycle any TC 016 transactions appropriately to allow for the GEN file to update.

3.13.12.12.1.2  
(01-01-2022)  
**Doc. Code 81  
Transactions**

- (1) Document Code 81, TC 000 will update the GEN file and then post to the BMF.
- (2) When a Doc. Code 81 with TC 016 and Definer Code A, B, C, or blank passes against the GEN file, every subordinate for that GEN will have a TC 016 generated for posting to the BMF.
- (3) Definer Code D indicates every subordinate added with a TC 000, Doc. Code 81 for that GEN will have a transaction generated for posting to the BMF.

3.13.12.12.2  
(01-01-2022)  
**New Group Exemption  
Letter**

- (1) When an organization applies for a group exemption, Cincinnati will establish a case control on EDS for the “parent” organization. When a determination is made and the GEN assigned, the case control is closed on EDS and a Form 2363-A marked “New Group Exemption Letter” is forwarded to the OSPC to create the pilot voucher. The pilot voucher will be used to establish the **subordinates** with complete entity data, including the EO section.

**Note:** If the list of subordinates isn’t attached and it isn’t a church, reject the Form 2363-A back to the originator.

- (2) Cincinnati will forward the Form 2363-A and a list of all subordinates to the campus for the updating of the parent and the subordinates. Form 2363-A is used to create the pilot voucher.

- (3) The pilot voucher will contain all the common data for the group ruling.

**Note:** If the pilot voucher is incomplete, reject the Form 2363-A back to Cincinnati for revision.

- (4) All IRC 501(c)(3) organizations must have an entry in item 36, NTEE, on the Form 2363-A. If there is no entry, return the Form 2363-A to the originator, informing them the new GEN cannot be established until the NTEE is provided.

- (5) The address for Cincinnati is:  
PO Box 2505 Room 4024  
Cincinnati, OH 45201

- (6) **New groups must be completed and on the BMF 60 days after receipt.**  
See IRM 3.30.123, Processing Timeliness.

3.13.12.12.3  
(03-01-2022)

#### Assigning of Group Exemption Number (GEN)

- (1) The GEN number will be assigned by Cincinnati and marked on the 2363-A.
- (2) Prepare the pilot voucher for adding subordinates from the Form 2363-A received from Cincinnati by doing the following:
  - a. **Always** enter Affiliation Code 9 on the pilot voucher, regardless of the type of organization.
  - b. **Don't enter any address.**
  - c. Input a new GEN to the parent organization. See IRM 3.13.12.12.4. Establish an IDRS control base in monitor status.
  - d. Three cycles after assignment of the GEN, research to ensure the GEN has posted to the Master File. If the GEN has gone unpostable, refer to IRM 3.12.278, taking necessary action to resolve.
  - e. Once the GEN has successfully posted to the Master File, close the control base.
  - f. Using the pilot voucher, add the NEW GEN to each of the subordinates. See IRM 3.13.12.12.5.
  - g. After processing, create a SGRI file, with the Form 2363-A received from Cincinnati and the list of subordinates.
- (3) After all of the above actions are taken, and the subordinates added, give the pilot voucher to the Lead for imaging the first of each quarter. The Lead will forward the Form 2363-A (pilot voucher) to M/S 6058 to be imaged.

3.13.12.12.4  
(06-06-2022)

#### Processing New Groups - Parents

- (1) When you receive the new group exemption letter from Cincinnati, the parent will be updated on the BMF from EDS. Research of the parent's EIN may be necessary to verify the EDS record has posted. Use CCs ENMOD, INOLE or BMFOL.
- (2) To assign, input a TC 016, Doc. Code 80, Definer Code C to the parent's EIN with the following information:
  - a. Enter **Affiliation Code 6** for all parents that are not a church or exempt under IRC 501(c)(1).

- b. Enter **Affiliation Code 8** for all parents of churches under IRC 501(c)(3), Foundation Code 10 or IRC 501(c)(1) organizations.
  - c. RULING-DT
  - d. NEW-GRP-EXEMP-NUM
  - e. REMARKS
- (3) Input the TC 016 immediately. The parent must be established on the BMF and the GEN file before the subordinates can be added. If this transaction is UPC 370, correct immediately.
- (4) A parent organization is required to file a Form 990. They can't file a group return.
- (5) If the parent organization indicates a group return will be filed for all or some of the subordinates a separate EIN needs to be established for group return filing purposes only. This is commonly referred to as a "dummy" entity.
- (6) Take the following steps to create a dummy account:
- 1. Use CC ENREQ/BNCHG, Doc. Code 63, TC 000, parent organizations name with "Group Return" at the end, mailing address and remarks.
  - 2. Use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Codes ABC, same EO section information as the parent **except** the affiliation code must be 9, same FYM as the parent (unless parent provides a different one), Form 990 FRC of 03 and remarks.

3.13.12.12.5  
(06-06-2022)

**Processing New Groups  
- Subordinates**

- (1) After the parent is updated on the BMF and the GEN file, subordinates can be added.

**Note:** Subordinates under IRC 501(c)(3) may have a different foundation code than the parent organization. Check for any attachments to the Form 2363-A indicating exceptions.

- (2) For a new group or new subordinates to a group:

If	Then
The EIN is already on the BMF,	Use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Codes ABC and the exemption data from the pilot voucher.  <b>Exception:</b> If a potential subordinate is on the BMF but the EO Status Code is 22 or 97, <b>don't</b> add the organization to the group.

If	Then
The EIN <b>isn't</b> on the BMF,	Use CC ENREQ/BNCHG with Doc. Code 63, TC 000 to establish the EIN. Then input exemption data from the pilot voucher using CC EOREQ/EOCHG with Doc. Code 80, TC 016, and Definer Codes ABC.
The subordinates in the group don't have EINs,	Perform research to determine if an EIN has already been established.
The EIN is located,	Proceed as above.
Research fails to locate the EIN:	<ol style="list-style-type: none"> <li>Correspond with the parent informing them the subordinate organizations cannot be added because EINs have not been supplied.</li> <li>Inform the parent Forms SS-4 need to be completed and returned so the EINs may be assigned.</li> <li>Refer the filer to irs.gov to obtain a Form SS-4.</li> </ol>

(3) Enter the subordinate's names as follows:

- Enter the parent's name on the subordinate's primary name line.
- If the subordinate's name is similar to the parent's name and is distinguished from the parent by a local number, chapter number, unit number or district number, enter the local, chapter, unit or district number on the sort name line.
- If the subordinate's name is **clearly** different from the parent's name, enter the subordinate's name on the sort name line. See IRM 3.13.12.6.4 for further instructions on input of sort name.

**Exception:** If the parent or subordinate insists the subordinate's primary name is other than the parent's primary name, honor the organization's request and enter the subordinate's name as requested. Refer to IRM 3.13.12.6.5 for instructions on inputting the primary name.

(4) If the parent organization requests verification that a subordinate has been added to the group ruling and provides a fax number, send the appropriate letter by fax only. No letter is required if a fax number is not provided.

3.13.12.12.6  
(01-01-2022)  
**Using Definer Code F**

(1) There are occasions when the wrong EIN was used for the parent of a group ruling. Once the EO account is on the BMF and the parent is established on the GEN file, there is no way to change the parent EIN on the GEN file except with a TC 011 to a different EIN that isn't on the GEN file.

- (2) The GEN file prohibits adding another parent. An input with Affiliation Code 6 or 8 passes against the GEN file and if the GEN is already established, the input record will unpost with UPC 370.
- (3) Definer Code F is used to correct the GEN file when the parent EIN is really a subordinate or has an independent ruling. For this definer code to make the change, one of the subordinates must be the parent.

3.13.12.12.6.1  
(01-01-2022)

**Verifying of Parent and Subordinate EINs**

- (1) Use CCs ENMOD, BMFOL and INOLE and verify the EINs for both the subordinate and the parent have the following information:
  - The GENs must be the same.
  - The Affiliation Code on the parent must be a 6 or 8.
  - The Affiliation Code on the subordinate must be a 7 or 9.
  - The exemption data must be the same.
  - The EO Entity Status must be 01-02.
- (2) Always update the BMF, if necessary, before inputting Definer Code F.

3.13.12.12.6.2  
(01-01-2022)

**Inputting EOREQ/EOCHG Transactions**

- (1) Input both CC EOREQ/EOCHG transactions in the same cycle, if possible. Both TC 016 transactions must post within 3 cycles of each other.
- (2) First, use CC EOREQ/EOCHG, Doc. Code 80, Definer Code F with TC 016 and the following fields:
  - Parent EIN
  - Parent name control
  - Affiliation Code (always 7 or 9)
  - From GEN
  - Remarks
- (3) Next, use CC EOREQ/EOCHG, Doc. Code 80, Definer Code F with TC 016 and the following fields:
  - Subordinate EIN
  - Subordinate name control
  - Affiliation Code (always 6 or 8)
  - From GEN
  - Remarks
- (4) The above two transactions must both arrive at the GEN file within 3 cycles or the first one will unpost with UPC 370.
- (5) If the input transactions unpost, the unpostable will be 370 from the GEN file or 371 from the BMF.

3.13.12.12.7  
(07-05-2023)

**Dissolving a Group Ruling**

- (1) There may be a time when a group ruling will be dissolved. Notification of the dissolution must come from the parent of the group. These procedures are for this type of case.
- (2) If a parent of a group ruling notifies us they are dissolving the group, take the following actions:
  - If the subsection of the organization is IRC 501(c)(3), (4), (9), (17) or (29), update all subordinates to status 40.

- If the subsection of the organization is other than IRC 501(c)(3), (4), (9), (17) or (29) update all subordinates to status 36 with 990 filing requirements.

**Note:** If necessary, input a TC 022 to remove the subsection prior to placing the account in status 36 or 40.

- Remove the group ruling, on the parent, using CC EOREQ with definer code E and document code 81. Input TC 016, ruling date, FROM GEN>XXXX (current GEN), NEW GEN>9999, Affiliation Code 3 and remarks. This will update the EO Status to 26. See IRM 3.13.12.6.3.5, Definer Code E Required Input.
- Update the parent account to an individual ruling with correct filing requirements from information on EDS/TEDS. Manager or Lead approval isn't required. See IRM 3.13.12.6.18.3.

**Note:** The group ruling (GEN) must be removed before the account can be updated to an individual ruling.

3.13.12.12.8  
(01-01-2022)

#### Parent Affiliation Code Change

- (1) There are cases where the affiliation code established for the parent was wrong. This happens when a church is input with Affiliation Code of 6 and it should be an 8, or a non-church is input with an 8 and the Affiliation Code should be a 6.
- (2) When a parent account is found on the BMF with an incorrect affiliation code, it must be corrected because parents with an affiliation code of 8 don't receive a Parent/Subordinate List.
- (3) To change the affiliation code, the input **must** be as follows and no other changes can be made:
  - Doc. Code 80
  - TC 016
  - Definer Code C
  - From GEN
  - Affiliation Code 6 or 8
  - Remarks
- (4) If the transaction unposts from the GEN file, it will unpost with UPC 370; if it unposts from the BMF, it will unpost with UPC 371.

3.13.12.12.9  
(01-01-2022)

#### Updating Group Rulings

- (1) When Cincinnati or National Office amends **the exempt data for a group ruling**, they will forward a new Form 2363-A to Ogden. Give the corrected pilot voucher to the Lead to be sent for imaging the first of each quarter.
- (2) **Group related correspondence must be completed 30 days after receipt. See IRM 3.30.123.**

3.13.12.12.9.1  
(01-01-2022)

#### Name Change

- (1) When the campus receives correspondence from the **parent organization for a name change**, a copy of the amendment of the name **must** be included with the correspondence. If missing, correspond with the organization using appropriate letter.
- (2) If a copy of the amendment is attached, proceed as follows:

- a. Use CC EOREQ/EOCHG with Doc. Code 80 or CC ENREQ/BNCHG with Doc. Code 63 and TC 013 for the parent's EIN and to correct the name. Send the appropriate letter to the organization acknowledging the change to its name. Give the corrected pilot voucher to the Lead to be sent to Imaging the first of each quarter.
- b. **Don't change the names of the subordinates unless instructed to do so by the parent or updated pilot voucher.** If a change to all the subordinates is indicated by the parent, use CC EOREQ/EOCHG with Doc. Code 80 or CC ENREQ/BNCHG with Doc. Code 63 and TC 013 for each subordinate and to correct the name.

**Note:** IRM 3.13.12.12.10.4.1 before changing subordinate names.

- c. Prepare a new pilot voucher for the GEN with the changed name and the unchanged data. It should be a complete pilot voucher. See IRM 3.13.12.12.3. Give the corrected pilot voucher to the Lead to be sent for imaging the first of each quarter.
- d. File the original amendment in the assigned folder.
- e. IRM 3.13.12.6.2.2 for more information.

3.13.12.12.9.2  
(01-01-2022)

#### Merging of Two Groups

- (1) Correspondence received for a **merger of two group rulings or two groups merging and forming a new group**, should be forwarded to Cincinnati. Once Cincinnati has approved the merger, they will notify EO Entity at the Ogden Submission Processing Center to input the appropriate action.
- (2) Research EDS to determine if there is an open case. If there is an open case:
  - a. Forward the correspondence to the agent assigned to the case.
  - b. Notify the organization of the transfer of the correspondence with a 86C letter.
- (3) See IRM 3.13.12.12.10.4.10 for more information.

3.13.12.12.9.3  
(01-01-2022)

#### Other Updates

- (1) For correspondence received that amends the original exempt data, other than the name, address, or FYM, forward the correspondence to Cincinnati.
- (2) When a group return is filed or correspondence is received stating "All the subordinates are changing their filing month to agree with the parent", input an update to the BMF with the following **required** fields:
  - Doc. Code 81
  - TC 016
  - Definer Code D
  - Parent's EIN
  - Parent's name control
  - From GEN
  - FYM as indicated on the return or correspondence

**Note:** Add Employment Code W if it isn't present, but only on accounts that have a Form 941 or 944 filing requirements.

**Reminder:** When updating a subordinate, always input the information exactly as shown on the pilot voucher.



3.13.12.12.10  
(01-01-2022)

**Supplemental Group  
Ruling Information  
(SGRI)**

- (1) Each year the central organization of a group ruling must submit to the OSPC, in writing, a SGRI letter detailing changes to its subordinates.
- (2) The SGRI should be received within 90 days prior to the close of the central organization's accounting period.
- (3) Enter the GEN in the upper right corner of the SGRI. If the organization doesn't provide its GEN, research IDRS. If research leaves you uncertain of the correct GEN, request it from the central organization.
- (4) To be acceptable, the SGRI must be timely and comply with Publication 4573.
- (5) If an organization submits a SGRI by electronic media (i.e. thumb drive, CD, etc.), return it to the organization with an explanation that it must be submitted in writing.
- (6) If your campus receives a SGRI from a central organization, transship the SGRI un-worked to the OSPC.
- (7) **SGRIs must be completed 60 calendar days after receipt.**

3.13.12.12.10.1  
(01-01-2022)

**Receiving and Accepting  
SGRIs**

- (1) Review the SGRI. **To be complete the SGRI must contain a statement to the effect there were no changes to its group exemption roster for the year or it must provide the following information:**

- A list of subordinates that have changed their names or addresses during the year or a statement no names or addresses were changed.
- A list of subordinates no longer to be included in the group exemption letter or a statement no subordinates were dropped.
- A list of subordinates to be added to the group exemption letter or a statement no new subordinates were added.

**Note:** Some groups may indicate they don't have any subordinates at the current time but may have subordinates in the future. Since the organization had to have subordinates to obtain a group exemption, the parent can maintain the group exemption according to the Cincinnati DPO.

- (2) If additions are made, this list must be accompanied by:
  - A statement that the information on which the present group exemption letter was issued applies to each new subordinate.
  - A statement each new subordinate has given the central organization written authorization to add its name to the roster.
  - A list of new subordinates to which the IRS previously issued exemption rulings or determination letters.
  - A statement none of the new subordinates are private foundations as defined in IRC 509(a), if the group is exempt under IRC 501(c)(3).
  - A statement the subordinate is complying with the requirements of Revenue Ruling 71-447, 1971-2, if the group is exempt under IRC 501(c)(3) and the new subordinate is a school.

**Note:** Each list must show the names, mailing address, including Postal ZIP codes, actual address, if different, and EINs of the affected subordinates. A directory of subordinates will not be accepted for this purpose.



3.13.12.12.10.2  
(01-01-2022)

**Missing Information**

- (1) If any required information is missing from a list of new subordinates, correspond for the missing information with letter 3064C.
- (2) If the information in IRM 3.13.12.12.10.1(1) above isn't furnished, the central organization **must** provide a separate statement that no change to their group exemption roster was made. Proceed as follows:
  - a. Correspond if information is missing.
  - b. Correspond with letter 3064C, using the appropriate selective paragraphs and the floating paragraph (\*), if necessary.
- (3) If the central organization doesn't provide TINs for organizations with name changes, address changes, or terminations:
  - a. Research CCs NAMEB and NAMEE for the missing EINs. If the EINs are found, process the SGRI.
  - b. If the EINs are not located, correspond with the parent informing them the subordinate organizations cannot be added because the EINs have not been supplied. Inform the parent Forms SS-4 need to be completed and returned so the EINs may be assigned. Refer the filer to irs.gov to obtain a Form SS-4.

3.13.12.12.10.3  
(01-01-2022)

**Foreign Subordinates**

- (1) A subordinate that is organized and operated in a foreign country may not be included in a group exemption letter.
- (2) If the SGRI has an address change to a foreign address or an addition with a foreign address:
  - a. Correspond using letter 1169C (or contact by phone) notifying the central organization these organizations may not qualify to be recognized as a subordinate to the group ruling because of the above limitation.
  - b. Don't change any subordinate's address to a foreign address or add any subordinate with a foreign address to the BMF, EO section, before corresponding with the central organization.
  - c. Notate the SGRI of the action taken.
  - d. Maintain a 45 day suspense file if corresponding with the organization.
  - e. If no reply to correspondence is received, forward the SGRI and the correspondence file to Cincinnati, Determination Unit, along with an explanation of referral.
  - f. When a reply is received that states the organization was organized and is operational in a foreign country, forward the SGRI and the correspondence file to Cincinnati, Determination Unit, along with an explanation of referral.
  - g. If the reply states the organization was organized in the U.S. and is operating in a foreign country, the organization can be a member of the group. Continue processing.

3.13.12.12.10.4  
(01-01-2022)

**Processing the SGRI**

- (1) When the SGRI is complete or when correspondence is received that makes the SGRI complete, update the BMF with the information contained on the SGRI. Update the BMF with the changes indicated.
- (2) When the BMF is updated, always annotate the SGRI with the action taken.

3.13.12.12.10.4.1  
(01-01-2022)  
**Name Change**

- (1) **When a name change is shown for a subordinate, proceed as follows:**
  - a. If the subordinate's primary name is different from the parent's input a TC 013 to update the name. If the subordinate's primary name is the same as the parent and the sort name is changing, input a TC 016 to update the sort name line for each subordinate that indicates a name change. It isn't necessary to secure an amendment showing the name change on a subordinate.
  - Caution:** See IRM 3.13.12.12.5 before changing a subordinate's name.
  - b. CC ENREQ/BNCHG with Doc. Code 63 can be used in lieu of CC EOREQ/EOCHG for this specific process.
  - c. If the subordinate is in Status 97, do not update the name.
- (2) When a name change is shown for a parent, see IRM 3.13.12.12.9.1.

3.13.12.12.10.4.2  
(01-01-2022)  
**Address Change**

- (1) **When the mailing address change is shown either to a parent or a subordinate, proceed as follows:**
  - a. Use CC ENREQ/BNCHG with Doc. Code 63 and TC 014 if the street, city, state and ZIP is being changed.
  - Caution:** Don't retain the former street address as the location address when the officer is changed and the mailing address is changed to a P.O. Box.
  - b. If the subordinate is in Status 97, do not update the address.

3.13.12.12.10.4.3  
(01-01-2022)  
**Care of Name Change**

- (1) **When a "care of name" or the chapter name or number is the only change shown for a parent or subordinate, proceed as follows:**
  - a. Use CC ENREQ/BNCHG with Doc. Code 63 and TC 016 for the subordinate that has the change.
  - b. If the subordinate is in Status 97, do not update the in care of name.

3.13.12.12.10.4.4  
(04-14-2023)  
**Subordinate No Longer Member of Group Ruling**

- (1) **When a subordinate is no longer included in the group exemption, proceed as follows:**
    - a. If the subsection is IRC 501(c)(3), (4), (9), (17) or (29), update the subordinate to status 40.
    - b. If the subsection is other than IRC 501(c)(3), (4), (9), (17) or (29), update the subordinate to status 36 with 990 filing requirements.
    - Note:** Input a TC 022 to remove the subsection prior to updating the status to 36 or 40. Manager or Lead approval not required. See IRM 3.13.12.6.2.6, TC 022, for additional information.
    - c. If a subordinate is in Status 97, see IRM 3.13.12.11.4.
- Exception:** If the subordinate is a church, see paragraph 3 on how to update.
- (2) If the parent indicates the subordinate is "out of business", "terminated", "dissolved" or similar wording, place the subordinate in status 28. See IRM 3.13.12.6.18.17 on updating to status 28.

**Exception:** If the subordinate is a church, see paragraph 3 on how to update.

- (3) If the subordinate is a church, they aren't required to file for exempt status. The list below are names that could be used to identify they are a church (not all inclusive):

- Assembly or Assembly of God
- Chapel
- Church
- Fellowship
- Jehovah's Witness
- Monastery
- Seventh Day Adventist
- Synagogue
- Mosque
- Temple
- Worship Center
- Iglesia
- Kirche

Input a TC 022 to delete the subsection per IRM 3.13.12.6.2.6. This action will prevent unnecessary correspondence. Don't place the account in status 40 as instructed in IRM 3.13.12.12.10.4.4 paragraph (1).

- (4) **When there are no subordinates left in the group ruling** and the parent doesn't indicate they should be updated to an individual exemption, call or correspond with the parent using letter 3064C to determine if subordinates will be added in the future.

If ...	Then ...
The parent responds stating they will no longer have subordinates (want an individual exemption)	Update the parent to an individual ruling per IRM 3.13.12.12.7, Dissolving a Group Ruling
The parent responds stating they may have subordinates in the future	No update is needed to the parent organization
The parent responds with the addition of subordinate(s)	Add the subordinate per IRM 3.13.12.12.10.4.5, Adding a Subordinate

3.13.12.12.10.4.5  
(09-20-2023)

#### **Adding a Subordinate**

- (1) **When a new member of the group is added, which has not had a previous ruling or exemption proceed as follows:**

If	Then
The EIN is already on the BMF,	<p>a. Ensure the EIN belongs to the subordinate organization.</p> <p><b>Note:</b> A subordinate may use the EIN of the parent, a university, college, credit union, school district, bank, etc. If they do, research for a good EIN. If unable to find, <b>don't</b> add the EIN provided to the GEN. Send a letter to the parent stating the subordinate is using an incorrect EIN and to provide the correct EIN for the subordinate.</p> <p>b. Remove incompatible filing requirements.</p> <p><b>Caution:</b> Before adding the EO submodule, identify the entity establishment date. If the date is greater than 3 years from the current date you must input a TC 590 cc 020 on a BMF account (MFT 02 or 05) to prevent immediate automatic revocation. If the entity doesn't have a current BMF filing requirement, input the TC 590 cc 020 on MFT 02. Post delay the input of the EO submodule 1 cycle to allow the TC 590 cc 020 to post first.</p> <p>c. Use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Codes ABC and the exemption data from the pilot voucher. Input the following fields from the pilot voucher: subsection, foundation code (if applicable), classification code, affiliation code, type of organization, status code and date, ruling date, deductibility code and year, new GEN, pension plan, employment code, FYM, NTEE, NAICS code and filing requirements.</p> <p><b>Note:</b> If the organization is an IRC 501(c)(3) and the deductibility code is 1, use the ruling date for the YYYY.</p> <p><b>Exception:</b> If a potential subordinate is on the BMF but the EO Status Code is 22 or 97, <b>don't</b> add the organization to the group.</p>
If the EIN has incompatible filing requirements,	<p>a. Ensure the EIN belongs to the subordinate.</p> <p>b. If so, remove incompatible filing requirements prior to adding subsection.</p>

If	Then
The EIN isn't on the BMF,	Use CC ENREQ/BNCHG with Doc. Code 63, TC 000. Add the exemption data from the pilot voucher using CC EOREQ/EOCHG Doc. Code 80.
The subordinates in the group don't have EINs,	Perform research to determine if an EIN has already been established.
The EIN is located,	Proceed as above.
Research fails to locate the EIN:	Correspond requesting Forms SS-4 for the subordinates being added.
The EIN is on the BMF with a sole proprietor's SSN cross reference,	Use CC ENREQ/BNCHG to input TC 016 to remove the sole proprietor's SSN cross reference with SOLE-PRP-SSN>000-00-0001.

(2) **When a new member is added to a group that was previously covered by an individual ruling, proceed as follows:**

- Research using CC ENMOD, CC BMFOL or CC INOLE.
- Look up the pilot voucher on the Form 2363-A or use the SGRI.
- Use CC EOCHG with Doc. Code 80 and TC 016 to update the BMF with the exempt data that is changed.
- Be sure to change the affiliation code and add the GEN.

(3) If a SS-4 is included for a new subordinate of the group, follow the procedures for assigning an EIN and then add the EO section per the instructions above with a cycle delay of 1 .

3.13.12.12.10.4.6  
(10-25-2022)

**Merger of Two Subordinates**

(1) **When a subordinate is merged with another subordinate within the same group, proceed as follows:**

- Use CC EOREQ/EOCHG with Doc. Code 80, TC 016, and Definer Code B with Status Code 26. The date should be the date of the merger if known or if not known the current year and month. Always input the x-reference EIN using CC ENREQ/BNCHG with Doc Code 63, XREF-TIN-ITIN-IND>2 and the XREF-TIN-ITIN> with the EIN of the successor subordinate.

3.13.12.12.10.4.7  
(09-20-2023)

**Inactive Subordinate**

(1) When an SGRI is received indicating a subordinate is inactive, update the EO status to 28 per IRM 3.13.12.6.18.17.

(2) **When an inactive subordinate was incorrectly put in Status 20/28, proceed as follows:**

- Look up the pilot voucher on the Form 2363-A.
- Use CC EOREQ/EOCHG with Doc. Code 80, TC 016, Definer Codes ABC to correct the BMF. Use the pilot voucher for the subsection code, foundation code (if present), classification code, affiliation code and status code using the ruling date as the year. The FRC should be

updated as indicated by the parent. However, if not indicated, always use an 02. Always enter the FYM from the BMF, unless that is also indicated as changed by the parent.

- (3) If an inactive subordinate was removed from the GEN and becomes active again, update the EO submodule using CC EOREQ/EOCHG, with Doc. Code 80, TC 016, Definer Codes ABC to correct the BMF. Use the pilot voucher for the subsection code, foundation code (if present), classification code, affiliation code and status code using the ruling date as the year. The FRC should be updated as indicated by the parent. However, if not indicated, always use an 02. Always enter the FYM from the BMF, unless that is also indicated as changed by the parent. If there's no pilot voucher, use the EO submodule information from the parents or another subordinates account.

**Caution:** Before updating the EO submodule, identify the entity establishment date. If the date is greater than 3 years from the current date you must input a TC 590 cc 020 on a BMF account (MFT 02 or 05) to prevent immediate automatic revocation. If the entity doesn't have a current BMF filing requirement, input the TC 590 cc 020 on MFT 02. Post delay the input of the EO submodule 1 cycle to allow the TC 590 cc 020 to post first.

3.13.12.12.10.4.8  
(01-01-2022)  
**Filing Requirement  
Change**

- (1) **When the parent subsidiary list is used and the filing requirement is changed, proceed as follows:**
  - a. If the Form 990 filing requirement of 01 is changed to 990-02 because gross receipts are \$50,000 or less, use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Code A with the subsection, type of foundation (if applicable), and classification code from the pilot voucher to correct the BMF to Form 990-02. Always enter the FYM from the BMF, unless that is also indicated as changed by the parent.
  - b. Input an 02 in Field 990.
  - c. If the Form 990 filing requirement of 02 is changed to 990-01, use CC EOREQ/EOCHG, Doc. code 80, TC 016, Definer Code A with the subsection and classification code from the pilot voucher to correct the BMF.
  - d. Input a 01 in Field 990.

3.13.12.12.10.4.9  
(01-01-2022)  
**Subordinate Incorrectly  
Included in Group  
Ruling**

- (1) **When the parent subsidiary list is used and the parent has indicated the subsidiary organization was incorrectly included in the group ruling,** research for another EIN without a group ruling or research to determine if it belongs to another group ruling.
- (2) If research locates another EIN and it has a ruling with a Status Code of 01, a subsection code and an Affiliation Code of 1-5:
  - a. Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Code C for the account on the subsidiary list and delete the GEN.
  - b. Input the GEN found on Master File in the FRM-GRP-EXEMP-NUM field and "9999" in the NEW-GRP-EXEMP-NUM field.
  - c. After the account is updated, the two EINs can be consolidated. Use CC ENREQ/BNCHG, Doc. Code 63, TC 011, the EIN from the parent subsidiary list is the "from number" and the EIN located is the "to number."
- (3) If a new EIN is located but isn't in Status 01, or doesn't have a subsection code or affiliation code:

- a. Use CC ENREQ/BNCHG, Doc. Code 63, and TC 022 for the account on the parent subsidiary list.

**Note:** Before inputting TC 022, IRM 3.13.12.6.2.6 for information on freeze codes.

- b. After the BMF is corrected, the two EINs can be consolidated. Use CC ENREQ/BNCHG, Doc. Code 63, and TC 011 with the EIN from the parent subsidiary list as the “from number” and the EIN located as the “to number.”
- (4) If research doesn’t locate another EIN, use CC ENREQ/BNCHG, Doc. Code 63, and TC 022 with the EIN of the account on the parent subsidiary list.
- (5) If research determines the account belongs to another group ruling, use CC EOREQ/EOCHG, Doc. Code 80, TC 016, and Definer Code C to correct the GEN.

3.13.12.12.10.4.10  
(01-01-2022)

**Merger of Two Groups**

- (1) Correspondence received for a **merger of two group rulings or two groups merging and forming a new group**, should be forwarded to Cincinnati. Once Cincinnati has approved the merger, they will notify EO Entity at the Ogden Submission Processing Center to input the appropriate actions.
- (2) Research EDS to determine if there is an open case. If there is an open case:
  - a. Forward the correspondence to the agent assigned to the case.
  - b. Notify the organization of the transfer of the correspondence with a 86C letter.
- (3) If there is no open case:
  - a. Send the correspondence to the Cincinnati campus with a Form 3499 attached indicating to “Establish T (Termination) or A (Amendment) case”.
  - b. Notify the organization of the transfer of the correspondence with 86C letter. Also, if necessary, notify the organization amended organization documents are required to merge group rulings.

3.13.12.12.10.4.11  
(01-01-2022)

**Parent of a Church**

- (1) If a listing similar to a SGRI is received from a parent of a church, Affiliation Code 8, make the necessary updates.
  - a. Make changes to the parents’ entity as indicated by the SGRI.
  - b. If a name change to a subordinate is indicated, research to determine if the subordinate is established on the BMF. Use CCs ENMOD, INOLE or BMFOL. If the subordinate is on the BMF, make the necessary changes.

**Caution:** See **IRM 3.13.12.12.5** and **IRM 3.13.12.12.10.4.1** before changing subordinate’s name.
  - c. If the parent wishes to add a subordinate and has supplied sufficient information (EIN, church name and address), use the pilot voucher to establish the new subordinate on Master File.
  - d. After all changes are made, notify the parent organization with a 1169C letter our records were changed. Annotate on listing “don’t generate the 1169C letter.” Maintain in the SGRI suspense file.



- 3.13.12.12.10.4.12  
(01-01-2022)  
**Change to All Subordinates of a Group**
- (1) **If a change is made that affects all the subordinates under a group ruling**, revise the pilot voucher and give the pilot voucher to the Lead for imaging the first of each quarter.
  - (2) **If the change indicates all the subordinates are no longer members of the group** but doesn't indicate the group is dissolved, contact the parent to determine the status of the group exemption.
    - a. If the parent replies the group is dissolved, update all subordinates to status 40 if subsection is IRC 501(c)(3), (4), (9), (17) or (29) or status 36 if subsection is other than IRC 501(c)(3), (4), (9), (17) or (29). Update the parent account to their prior individual ruling using instructions in IRM 3.13.12.6.3.5 and 3.13.12.12.7. Individual ruling information can be found on EDS/TEDS. Give a copy of the pilot voucher to the Lead indicating the group is dissolved and should be removed from the Form 2363-A pilot voucher site.
    - b. If the parent replies the group is still operating and other subordinates will be added, take no action.
- 3.13.12.12.10.4.13  
(01-01-2022)  
**Completion of SGRI Processing**
- (1) After completing all required campus activity, an appropriate letter will be sent by the tax examiner/unit clerk to notify the parent organization our records were changed to reflect any additions, deletions, etc.
  - (2) Destroy the SGRI per local campus disposition procedures.
- 3.13.12.12.11  
(01-01-2022)  
**State-Chartered Credit Unions**
- (1) There are three categories involved with state-chartered credit unions:
    - States that have received a group ruling
    - States that have not received a group ruling, but file a group return
    - States that are not authorized to charter a credit union
- 3.13.12.12.11.1  
(01-01-2022)  
**States with Group Rulings**
- (1) A state may apply for a group ruling just to file a group return for all its credit union members. The state banking rules allow the state to file the group return. **The parent of this type of a group ruling is usually a figurehead (dummy entity) for the state to use only for filing the group return.**
  - (2) The parent for states with a group ruling should have a filing requirement of a Form 990-03. **A separate entity for the group return should not be established.**
  - (3) When a new group ruling for a state is received, the processing will be the same as IRM 3.13.12.12.4, Processing New Groups- -Parents, except the filing requirement for the parent will be a Form 990 of 03 and the words "Group Return" will be added to the parent's name. However, don't add group return to the organization name on the pilot voucher.
  - (4) If a group return is received for a state-chartered credit union that has already received a group ruling, the parent on the BMF should be corrected by the following:
    - a. Add the words "Group Return" to the organization name;
    - b. Update the Form 990 FRC to 03; and
    - c. Update any other data from the pilot voucher, as applicable.
  - (5) If research locates another EIN for the group return:



- a. Contact the state to determine what each EIN is used for.
- b. Some of the EINs for the parents of state-chartered credit unions are really a legal separate entity of the state and should never be used as the parent of the group ruling. When this occurs, use the procedure for Definer Code F.
- c. If the parent's EIN isn't a legal separate entity of the state, input TC 022 to delete the EO section from the group return entity. After the TC 022 has posted the group return entity should be consolidated with the parent account. Use CC ENREQ/BNCHG, Doc. Code 63, TC 011 and the EIN from the group return entity as the "from number" and the EIN for the parent as the "to number". Notify Cincinnati of the EIN change if necessary.

**Note:** Be very careful when consolidating the two EINs. Be sure the parent has a complete EO section.

- (6) Some state-chartered credit unions file their SGRI with the group return. When this happens, Returns Analysis will copy page 1 of the return and forward it and the SGRI information to Entity Control for processing. See IRM 3.13.12.12.
- (7) For name changes to state-chartered credit unions with a group ruling follow instructions given in IRM 3.13.12.12.9.1 for parents of a group and IRM 3.13.12.12.10.4.1 for subordinates of a group.

3.13.12.12.11.2  
(01-01-2022)

**States Without a Group Ruling**

- (1) The states that have not received a group ruling are still allowed to file a group return under Revenue Ruling 60-364 for all the credit unions in the state.
- (2) A Form 990 group return for a state without a group ruling will not be coded as a group return by Return Analysis.
- (3) Entity Control will receive these returns to be processed as an original filed return.
- (4) Each credit union within the state will have applied and should have received an individual ruling and should be on the BMF from EDS.
- (5) The subordinates listed on the group return will not require any action.
- (6) If the entity is on the BMF:
  - a. Use CC ENREQ/BNCHG, Doc. Code 63, and TC 013 to add the words "Group Return" to the organization name.
  - b. Use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Code A and B, Subsection Code 14, Classification Code 1, Form 990 FRC of 01, Status Code of 01 and current year and month, FYM from the tax period on the return, and remarks for an audit trail.
- (7) If the entity isn't on the BMF:
  - a. Use CC ENREQ/BNCHG, Doc. Code 63, TC 000, "Group Return" in the Name of the Organization, Mailing Address, and remarks for an audit trail.
  - b. Use CC EOREQ/EOCHG, Doc. Code 80, TC 016, Definer Code A and B, Subsection Code 14, Classification Code 1, Form 990 FRC of 01, Status Code of 01 and current year and month, FYM from the tax period on the return, and remarks for an audit trail.

- (8) For name changes to state-chartered credit unions without a group ruling, follow normal name change procedures for these type of credit unions.

3.13.12.12.11.3  
(01-01-2022)

**States Not Authorized to  
Charter State Credit  
Unions**

- (1) If a Form 990 is received from a state that isn't authorized to charter state credit unions, whether it is a group return or an individual credit union, process as follows:

If	Then
The entity is on the BMF,	Use CC EOREQ/EOCHG with Doc. Code 80, TC 016 and Definer Code B with a Status Code 40.
The entity isn't on the BMF,	<ul style="list-style-type: none"> <li>Use CC ENREQ/BNCHG with Doc. Code 63, TC 000 name of the organization, mailing address and remarks.</li> <li>Use CC EOREQ/EOCHG with Doc. Code 80, TC 016, Definer Code B, Status Code 40 and current year and month, FYM from the tax period on the return and remarks for an audit trail.</li> </ul>

3.13.12.13  
(01-01-2022)  
**Form 8870**

- (1) Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. IRC 170(f)(10), requires a charitable organization described in IRC 170(c) or a charitable remainder trust described in IRC 664(d) to complete and file Form 8870 if it paid premiums after February 8, 1999, on certain life insurance, annuity, and endowment contracts (personal benefit contracts).
- (2) If a Form 8870 is received in Entity, input a TC 971 ac 349 using the following procedures:
- Input CC ENMOD
  - Input REQ77 with the EIN on the return on the first line, MFT 00 and Tax Period 000000 on the second line, and Name Control XXXX on the third line
- Note:** Screen will default to CC FRM77.
- Input TC> **971**
  - Input TRANS-DT>**MMDDYYYY**
- Note:** TRANS-DT is the return received date or the return processable date, whichever is later.
- Input TC971/151-CD>**349**
  - Input Remarks>**SD## Form 8870**
- (3) Document action taken, TC 971 ac 349, SD# and TE number, on the left side of the Form 8870.
- (4) Send the return to files.

3.13.12.14  
(01-01-2022)  
**Section 527 Political Organizations**

- (1) **Definition of Political Organizations:** Political organizations are organized and operated primarily to, directly or indirectly, accept contributions and/or make expenditures for the purpose of influencing, or attempting to influence, the selection, nomination, election, or appointment of any individual to Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors. Political organizations include political parties, committees, associations, Federal, State and local candidate committees and other political organizations such as political action committees (PACs).
- (2) **Disclosure Requirements:** Tax exempt IRC 527 organizations must make their forms (other than Form 1120-POL) publicly available for inspection and copying at their principal place of business. The IRS also posts Form 8871 and Form 8872 on its website.
- (3) **Tax-Exempt or Non Tax-Exempt:** 527 political organizations may be either tax-exempt or non tax-exempt.

Type	Description
<b>Tax-Exempt Political Organizations</b>	<p>A political organization is tax-exempt if it gives electronic notice under IRC 527(i) (filing Form 8871) or isn't required to give notice because it meets one of the exceptions under IRC 527(i)(5) and (6). Political organizations that are not required to give notice under IRC 527(i)(5) and (6) to be tax-exempt are the following:</p> <ol style="list-style-type: none"> <li>a. Any person required to report under the Federal Election Campaign Act of 1971 as a political committee.</li> <li>b. Any political committee of a state or local candidate;</li> <li>c. Any state or local committee of a political party;</li> <li>d. Any organization that reasonably anticipates its annual gross receipts will always be less than \$25,000.</li> <li>e. A tax-exempt organization described in section 501(c) that is treated as having political organization taxable income under section 527(f)(1).</li> </ol>

Type	Description
<b>Non Tax-Exempt Political Organization</b>	A non tax-exempt political organization is a political organization that has not given timely notice under 527(i) (if it doesn't meet one of the exceptions in 527(i)(5) or (6)). Without timely notice the political organization is taxable for any period beginning with the establishment of the organization and ending on notice of the establishment of the organization. Without timely notice under 527(i) of a material change, the political organization is also taxable for the period beginning on the date on which the material change occurs and ending on the date on which notice is given.

- (4) **Taxable Income:** The taxable income of a tax-exempt political organization and a non tax-exempt political organization are different.

Type	Description
<b>Taxable Income of a Tax-Exempt Political Organization</b>	A tax-exempt political organization isn't taxed on its exempt function income. It is, however, subject to tax on other types of income. Taxable income includes: <ul style="list-style-type: none"> <li>• Gross income (excluding exempt function income)</li> <li>• Minus deductions allowed that are directly connected to the production of the gross income (excluding exempt function income)</li> <li>• Modifications: specific deduction of \$100, no net operating loss, or no deduction of the special deduction for corporations</li> </ul>

- (5) **Filing Categories:** Federal tax law divides tax-exempt political organizations into several different categories, and provides different filing requirements for each category.

#### Filing Categories

Category	Organization type
Federal Organizations	<ul style="list-style-type: none"> <li>FEC political committee: A political organization (including federal candidate committees, political party committees and PACs) is required to report as a political committee under the Federal Election Campaign Act.</li> <li>Other federal political organization: A political organization attempting to influence federal elections isn't required to report as a political committee under the Federal Election Campaign Act.</li> </ul>
State and Local Organizations	<ul style="list-style-type: none"> <li>Candidate committee: A campaign committee of a state or local candidate.</li> <li>Party committee: A state or local committee of a political party.</li> <li>Qualified state or local political organization (QSLPO): A state or local committee whose political activities relate solely to a state or local public office, is subject to state law that requires it to report to a state agency information about contributions and expenditures, makes reports publicly available, and no federal candidate or office holder controls it, participates in its direction, or solicits contributions for it.</li> <li>Caucus or association of state or local officials; a group of state or local officials attempting to influence elections.</li> <li>Other political organizations: any other state or local political organization.</li> </ul>

- (6) **Filing Requirements:** The filing requirements in the chart below apply to those tax-exempt political organizations that receive or expect to receive \$25,000 or more in gross receipts in any taxable year.

If the Organization is a	It May Be Required to File
FEC political committee, state or local candidate committee or state or local committee of a political party,	Form 1120-POL.

If the Organization is a	It May Be Required to File
Qualified state or local political organization (QSLPO)*,	Form 8871; Form 1120-POL; and Form 990.
Caucus or association of state or local officials*,	Form 8871; Form 8872; and Form 1120-POL.
Any other political organization, including other federal political organizations and other state or local political organizations,	Form 8871; Form 8872; Form 1120-POL; and Form 990 or Form 990-EZ.

\*An organization may be both a QSLPO and a caucus or association of state or local officials. If so, it isn't required to file Form 8872 and Form 990.

**Note:** Political organizations, whether tax-exempt or not, must file Form 1120-POL for the taxable year if they have taxable income in excess of the \$100 specific deduction.

#### (7) Summary of Form Filing Requirements

Form	When Filed	Exceptions to Filing Requirement
8871, <b>Political Organization Notice of Section 527 Status</b>	Within 24 hours of establishment or within 30 days of any material change, including termination	<ul style="list-style-type: none"> <li>A tax-exempt organization described in section 501(c) that is treated as having political organization taxable income under section 527(f)(1)</li> <li>Political committee required to report under the Federal Election Campaign Act of 1971</li> <li>Campaign committee of state and local candidates</li> <li>State or local committee of political parties</li> <li>Organization that reasonably expects annual gross receipts to always be less than \$25,000</li> </ul>
8872, <b>Political Organization Report of Contributions and Expenditures</b>	It is the organizations option to file quarterly/semiannually or monthly, on the same basis for entire calendar year (see form instructions for detailed information)	<ul style="list-style-type: none"> <li>Any organization exempt from Form 8871 filing requirement</li> <li>Qualified state or local political organization (QSLPO)</li> </ul>
1120-POL, <b>US Income Tax Return for Certain Political Organizations</b>	Due the 15th day of the 4th month after the close of the taxable year	Political organization with no taxable income after the \$100 specific deduction

Form	When Filed	Exceptions to Filing Requirement
990, <b>Return of Organization Exempt from Income Tax</b> or 990-EZ, <b>Short Form Return of Organization Exempt from Income Tax</b>	Due the 15th day of the 5th month after the close of the taxable year	<ul style="list-style-type: none"> <li>Any organization excepted from Form 8871 filing requirement (see above)</li> <li>Caucus or association of state or local officials</li> </ul>

3.13.12.14.1  
(01-01-2022)  
**Form 8871/8453-X**

- (1) Political organizations must file Form 8871, Political Organization Notice of Section 527 Status, in order to be a tax-exempt organization under the rules of IRC 527. The IRS is required to make publicly available, a list of the organizations that file Form 8871. Every political organization that is to be a tax exempt political organization under the rules of IRC 527 must file Form 8871 electronically except for:
  - An organization that reasonably expects its annual gross receipts to always be less than \$25,000
  - A political committee required to report under the Federal Election Campaign Act of 1971
  - A political committee of state and local candidates
  - A state or local committee of political parties
  - A tax exempt organization described in IRC 501(c) is treated as having political organization taxable income under IRC 527(f)(1)
- (2) A Form 8453-X, Political Organization Declaration for Electronic Filing of Notice of Section 527 Status, contains the signature for Form 8871.

3.13.12.14.1.1  
(07-05-2023)  
**Electronic Form 8871**

- (1) Form 8871 must be filed electronically within 24 hours of the date the organization was established.
- (2) The electronic Form 8871 is filed by the organization on the IRS Internet site located at [irs.gov/charities-non-profits/political-organizations](https://irs.gov/charities-non-profits/political-organizations). The electronic Form 8871 information, input by the filer, is stored by IRS in an ORACLE database maintained by national office programmers.
- (3) The electronic Form 8871 will automatically post to Master File as a TC 150 to MFT 47. If, during posting, the program determines there is no EIN present on Master File, the transaction will be re-sequenced for 4 cycles to allow a Form SS-4 to be processed. If, after 4 cycles, the transaction still can't post, it will go unpostable as an UPC 301 RC 1, No Account Present.
- (4) An amended electronic Form 8871 may be submitted by the organization for any material change made by the organization (including termination) within 30 days of the change. The amended Form 8871 will post to Master File as a TC 976. **The organization isn't required to file a Form 8453-X with the associated amended Form 8871.** Therefore, it will be not be necessary to input a TC 971 ac 351 for an amended Form 8871. If an amended 8871 is received, destroy per local procedures.

3.13.12.14.1.2  
(07-05-2023)  
**Form 8453-X**

- (1) A Form 8453-X is filed by a Political Action Committee (PAC) following their electronic submission of Form 8871. Entity will receive the Form 8453-X from Batching.
- (2) Correspondence with the organization is required when the signature is missing on the Form 8453-X. Send the appropriate letter and the Form 8453-X back to the taxpayer requesting the signature.

**Note:** When tax returns are received via fax as part of return perfection and contact with the taxpayer is made and documented, faxed signatures are legally sufficient. Return preparer's may sign original returns, amended returns, or requests for filing extensions using a signature stamp. Taxpayers, however, must continue to sign their returns with an original signature.

- (3) See IRM 3.13.12.6.5(6) for instructions on establishing a political organizations name and name control on Master File. Research CC INOLE to determine if the name control is valid. If the name control isn't correct, input a TC 013 using CC ENREQ/BNCHG. If the name control is correct, continue processing.
- (4) If no EIN is present, research for an EIN:

If	Then
An EIN is found:	<ol style="list-style-type: none"> <li>a. Perfect the Form 8453-X with the correct EIN.</li> <li>b. Check if ORACLE has been updated. If not, update ORACLE.</li> <li>c. If necessary, send the appropriate letter to the organization informing them of their correct EIN.</li> <li>d. Input a TC 971 ac 351 on the correct EIN, per the instructions below.</li> </ol>
The EIN has fallen off Master File,	<ol style="list-style-type: none"> <li>a. Re-establish the account on Master File with a TC 000.</li> <li>b. Input a TC 971 ac 351, per the instructions below.</li> </ol>

- (5) Research CC ENMOD to determine if the TC 150 for MFT 47 or TC 971 ac 350 (electronic Form 8871) has posted. If there's no TC 150 or TC 971 ac 350, research CCs NAMEE/NAMEB or the [irs website at \*irs.gov/charities-non-profits/political-organizations\*](https://www.irs.gov/charities-non-profits/political-organizations) for an electronic Form 8871. If the electronic Form 8871 isn't found, correspond with the organization using the appropriate letter stating the Form 8871 must be filed electronically. If the TC 150 or TC 971 ac 350 is present, continue processing.
- (6) Process the 8453-X by:
  - a. Inputting a TC 971 ac 351 using the following procedures:  
 Input CC ENMOD  
 Input CC REQ77 with the EIN on the first line, MFT **00** and tax period **000000** on the second line, and Name Control **XXXX** on the third line.  
 Input TC>**971** (on the FRM77 screen).  
 Input TRANS-DT>**MMDDYYYY**



**Note:** TRANS-DT is the return received date or the return processable date, whichever is later.

Input SECONDARY-DT>**MMDDYYYY** (current date).

Input TC971/151-CD>**351**.

Input Remarks>**SD#### Form 8453-X**.

- b. Edit the name control, tax period, source document number, actions taken, your TE number and the date on the Form 8453-X.
- c. Prepare a source document gusset with label for the Forms 8453-X processed that day.
- d. Attach a green router and route the gusset to files.

**Note:** Only the Form 8453-X and the envelope should be sent to files. Detach any correspondence or copies of Form 8871.

- (7) If the organization isn't a IRC 527 organization and was established in error, take the following actions:
  - a. Remove the EO section with a TC 022 if the organization doesn't have an exemption. Add the appropriate filing requirements, if known.
  - b. Write REMOVE on the top of the Form 8453-X. Update the Oracle website.
  - c. Reverse any TC 971 ac 35X with a TC 972 using CCs ENMOD/REQ77.
- (8) To reverse a TC 971 ac 351 with a TC 972, use the following procedures:
  - Input CC ENMOD.
  - Input CC REQ77 with the EIN on the first line, MFT **00** and tax period **000000** on the second line, and Name Control on the third line.
  - Input TC>**972** (on the FRM77 screen).
  - Input TRANS-DT>**MMDDYYYY**

**Note:** TRANS-DT is the return received date or the return processable date, whichever is later.

  - Input TC971/151-CD>**351**.
  - Input Remarks>**NSD reverse TC 971 ac 351**.
- (9) Processed Forms 8453-X are periodically received from files with an attachment that states "Adjustment Action did not take". Print CC TXMODA or CC BMFOLT, highlighting the DLN of the posted TC971 ac 351 and return it to Files at the mail stop listed on the attachment.

3.13.12.14.2  
(01-01-2022)  
**Form 8872**

- (1) Every IRC 527 tax-exempt political organization that accepts a contribution or makes an expenditure for a tax-exempt function during the calendar year is subject to penalty under IRC 527(j) if it doesn't file Form 8872 electronically, except for:
  - a political organization that isn't required to file Form 8871,
  - a political organization that is subject to tax on its income because it did not file or amend a Form 8871, or
  - a qualified state or local political organization.
- (2) Form 8872 must be filed electronically.

- (3) For a summary of the filing requirements for a political organization, see IRM 3.13.12.14 paragraph (7).
- (4) Due dates for Form 8872 vary depending on whether the form is due for a reporting period in an even-numbered or odd-numbered year. During an even-numbered year, the organization may opt to file its reports on either a quarterly or a monthly basis, but it must file on the same basis for the entire calendar year. During an odd-numbered year, the organization may opt to file its reports on either a semiannual or a monthly basis, but it must file on the same basis for the entire calendar year.
- (5) IRS will make Form 8872, including Schedules A and B, open to public inspection.
- (6) If it is necessary to correspond with the organization, correspond once. Suspend for 45 days. Correspondence should be sent to the name and address listed as the "Name of Contact" person. If this entry isn't present or incomplete, correspond with the "Name of Organization".

**Caution:** If corresponding, all issues must be included in the initial correspondence.

3.13.12.14.3  
(01-01-2022)

#### TCC TIER II Reports

- (1) The following TCC Tier II Reports will be received via e-mail and worked daily by Entity:
  - New Electronic 8871 Submissions
  - New Electronic 8871 Submissions with Address changes
  - Rejected Accounts: PACs with no Elec. Form 8871
  - IMPORT-EXPORT e-mail Notification
  - New Electronic 8872 Submissions
  - Electronic 8872 Change of Address Submissions
  - Final Electronic 8872 Submissions
  - Initial Electronic 8871 filings that are missing 8453-X
- (2) Other reports that may be present but are only worked if instructions for Entity are present:
  - Dump.sh Results
  - Failure on push\_image\_fls.sh
  - Failure on run\_section\_527.sh
  - List of transmitted Section 527 PDF files
  - Status of ftp of Electronic GMF data
  - Success on push\_image\_fls.sh
  - Success on run\_section\_527.sh
  - Warning on push\_image-fls.sh

3.13.12.14.3.1  
(10-25-2022)

#### TCC Tier II New Electronic 8871 Submissions

- (1) To complete the TCC Tier II New Electronic 8871 Submissions report do the following:
  - a. Access the Political Organization Filing and Disclosure (POFD) web site and locate the organization's information.
  - b. If the EIN is valid:

If	Then
the EIN and entity information on IDRS matches the Form 8871	continue to set up the account per the instructions below
the EIN and entity information on IDRS doesn't match the Form 8871	Make any necessary changes on IDRS to update the name and/or address stated on the Form 8871. Continue to set up the account per instructions below

- c. If the EIN is invalid, research IDRS for a different EIN (i.e., CC NAMEE):

If	Then
an EIN is found,	edit the correct EIN on the e-mail, send a 3910C letter informing the organization of their EIN. Update Oracle by doing the following: <ol style="list-style-type: none"> <li>Click on resend to BMF Master File.</li> <li>If the form can be resent, a box will appear asking "Are you sure you want to send this filing back to BMF Master File as a TC 150 with a new DLN?" Click "yes".</li> <li>If it is too soon to resend the form, a box will appear stating "Filing cannot be resent to BMF Master File for four weeks since last transmission." Notate the date the form can be resent and hold until that date.</li> </ol>
an EIN is no longer present on the BMF	re-establish the account on Master File with a TC 000, with the information on the Form 8871
an EIN cannot be found	assign an EIN via CC ESIGN: <ul style="list-style-type: none"> <li>• MFI O</li> <li>• Notice Indicator A</li> <li>• Return ID Code PL</li> <li>• Tax Period XXXX12 (current year)</li> </ul> Refer back to "EIN found" above to inform organization and update Oracle

- d. Use the individual listed as a contact for the in care of name. Update if necessary.
- e. Update or establish the EO subsection based on the organizations answers to the following:

If	Then
the organization indicates they are exempt from filing Form 990,	update the subsection using CC EOREQ/EOCHG, Doc Code 80, Definer Codes AB, Subsection 82, Classification code 1, EO Status Code 34/date, FYM, and 1120-09 filing requirements.
the organization indicates they are not exempt from filing Form 990,	update the subsection using CC EOREQ/EOCHG Doc Code 80, Definer Codes AB, Subsection 82, Classification code 1, EO Status Code 34/date, FYM, 990-01 and 1120-09 filing requirements.
no 1120-09 (Form 1120-POL) filing requirement is on the account,	add FYM and 1120-09 filing requirements.

- f. Update or establish the 527 Political Organization Indicator based on the organization answers on Form 8871 and the table below:

If	Then
the organization indicated they are exempt from filing Form 8872	input a 527 indicator of "5". Add the Form 1120-09 filing requirements and the FYM if not on the account.
the organization indicated they are required to file Form 8872	input a 527 indicator of "4". Add the Form 1120-09 filing requirements and the FYM if not on the account.

- g. If the organization marked final on the electronic Form 8871, ensure the appropriate final returns were filed. Then do the following:  
 Remove the 527 Indicator with a "9".  
 Update the EO Status Code to 20.  
 Zero out the Form 1120-09 filing requirement if present.

**Note:** If all appropriate final returns were not filed, correspond with the organization using a 696C letter to request the missing final returns.

- h. If a date of material change is listed for an organization, the organization is filing an amended Form 8871. Research the IRS internet site, [irs.gov/charities-non-profits/political-organizations](https://www.irs.gov/charities-non-profits/political-organizations), to determine why the amended return was filed.
- i. If the amended box is checked on the Form 8871, determine if the address on the amended Form 8871 is the same as the address on Master File. If the address is different, update the address on Master File with a TC 014 using CC ENREQ/BNCHG or CC EOREQ/EOCHG.

- (2) Input a TC 971 ac 001 to indicate a TC 150 for a Form 8871 is being moved to a different EIN using the following procedures:

- Input CC REQ77 with the EIN on the first line, MFT **47** and tax period **YYYYMM** on the second line, and Name Control **XXXX** on the third line.
- Input TC>**971** (on the FRM77 screen).
- Input TRANS-DT>**MMDDYYYY**
- Input TC971/151-CD>**001**
- Input XREF-TIN>**NN-NNNNNNNN**

**Note:** This is the cross reference EIN the Form 8871 is being moved to.

- Input Remarks>**Moved TC 150 for MFT 47**

(3) Input a TC 971 ac 017 to indicate a TC 150 for a Form 8871 is being received from a different EIN using the following procedures:

- Input CC REQ77 with the EIN on the first line, MFT **47** and tax period **YYYYMM** on the second line, and Name Control **XXXX** on the third line.
- Input TC>**971** (on the FRM77 screen).
- Input TRANS-DT>**MMDDYYYY**
- Input TC971/151-CD>**017**
- Input XREF-TIN>**NN-NNNNNNNN**

**Note:** This is the cross reference EIN the Form 8871 is being received from.

- Input Remarks>**Received TC 150 for MFT 47**

(4) Research CC INOLE to determine if an EO section is present and if the organization has a valid 501(c) exemption. If the organization has an established EO section with a valid exemption, Form 1065 or Form 1120 filing requirements, correspond with the organization using the appropriate letter to determine why they filed a Form 8871. Explain normally a 501(c) organization, Form 1065 or Form 1120 filer can't be a 527 organization also. Request they file a Form SS-4 if they are a political organization operating under the rules of IRC 527. Include a Form SS-4 with the appropriate letter.

If	Then
The organization responds with a Form SS-4 or does not respond:	<ol style="list-style-type: none"> <li>Assign an EIN in the usual manner. <b>See IRM 21.7.13</b> for EIN procedural instructions. Use Return ID Code PL for the CP 576.</li> <li>Annotate the EIN on the Form 8871.</li> <li>Reverse any TC 971 on the exempt organization account with CC REQ77/FRM77 and input a TC 972, transaction date of MMDDYYYY, and an Action of 350 (or 351, if appropriate).</li> <li>Copy the Form 8871 from the IRS web site <i>irs.gov/charities-non-profits/political-organizations</i>. Annotate the new EIN on the Form 8871. Send the Form 8871 to Imaging to be imaged and destroyed.</li> </ol>

- (5) If correspondence with the organization is required, correspond once and suspend for 45 days. Correspondence should be sent to the name and address listed as the "Name of Contact" person on the electronic Form 8871. If entry isn't present or incomplete, correspond with the "Name of Organization".
- (6) If the organization states they are not a political organization and were set up in error, take the following actions:
  - Remove the EO section with a TC 022 if the organization doesn't have an exemption
  - Add and/or remove the appropriate filing requirements, if known
  - Reverse any TC 971 action code(s) with a TC 972, if applicable
  - Remove the 527 Indicator with a "9", if applicable

3.13.12.14.3.2  
(01-01-2022)

#### **TCC Tier II Change of Address Submissions**

- (1) To complete the TCC Tier II Change of Address Submissions report, complete the following actions:
  - Access the POFD web site and locate the organization's information.
  - Using the data on the web site, update the organization's address on IDRS.
  - If the organization filed an electronic Form 8871, access Oracle and update the address on the most current Form 8871.
  - Refer to IRM 3.13.12.6.12 for details on input of a new address.
  - If the name has changed, update the organization's name on IDRS, send a 252C letter.

**Note:** It isn't necessary to send a 252C letter if the change is only to update the name to a proper format.

- Refer to IRM 3.13.12.6.8.3(2) for information to update a political action committee name.

3.13.12.14.3.3  
(01-01-2022)

**TCC Tier II New  
Electronic 8871  
Submissions with  
Address Changes**

- (1) To complete the New Electronic 8871 Submissions with Address Changes report do the following:

- Access the Political Organization Filing and Disclosure (POFD) website and locate the organization's information.
- Using the data present on the website, update the organization's address on IDRS.
- If the name on the Form 8871 is different than the name on IDRS, update the organization's name on IDRS to the name on the Form 8871. Refer to IRM 3.13.12.6.8.3(2) to determine the correct format for a political organization. Send a 252C letter informing the organization of the name change.

**Note:** It isn't necessary to send a 252C if the change is only to update the name to proper format.

3.13.12.14.3.4  
(01-01-2022)

**TCC Tier II Rejected  
Accounts: PACs with no  
Electronic Form 8871**

- (1) The Rejected Accounts: PACs with no electronic Form 8871 are accounts who have a TC 150 MFT 47 and a TC 971 ac 351 on Master File and were flagged for generation of a user ID and password. However, the POFD web site doesn't show a Form 8871 on file for the EIN.

- (2) To work the report do the following:

- Research IDRS and the POFD web site to determine if the Form 8871 was filed under an incorrect EIN. Use the following table to resolve:

If	Then
the EIN listed on the report is correct and an electronic Form 8871 is located on the POFD web site under the incorrect EIN	<p>a. update Oracle and send the organization a 3910C or other appropriate letter.</p> <p>b. Re-send the TC 150 to Master File if necessary.</p>

If	Then
the EIN on the report is incorrect and the correct EIN is located through IDRS research,	<ol style="list-style-type: none"> <li>reverse any TC 971 ac 350/351 with a corresponding TC 972.</li> <li>Check the 527 online document images web site. Print any forms filed under the incorrect EIN.</li> <li>Edit the correct EIN on the forms in black ink, notate "re-image and destroy" across the top and route to EO imaging.</li> <li>Send an e-mail requesting to have the images removed from the incorrect EIN.</li> <li>Re-send the TC 150 to Master File if necessary.</li> </ol>

3.13.12.14.3.5  
(01-01-2022)

**TCC Tier II IMPORT -  
EXPORT E-mail  
Notification**

- (1) This report is generated for accounts that have rejected because a Form 8872 was filed under an EIN with no Form 8871 on record.
- (2) When received, take the following actions.
  - Access the 527 Online Document Images web site and locate the Form 8872.
  - Use the information on the return and IDRS to determine if the return was posted to the incorrect EIN.
  - Research IDRS for the correct EIN.

If	Then
the correct EIN is found,	<ol style="list-style-type: none"> <li>print the form filed under the incorrect EIN.</li> <li>Edit the correct EIN on the form in black ink, notate "re-image and destroy" across the top in invisible orange ink and route to EO imaging.</li> <li>Complete an e-mail request to have the image removed from the incorrect EIN.</li> </ol>

3.13.12.14.3.6  
(01-01-2022)

**TCC Tier II New 8872  
Electronic Submissions**

- (1) This report is generated by Form 8872 being filed electronically. Form 8872 posts to the Master File as a TC 150 MFT 49.



- (2) When completing the New 8872 Electronic Submission report take the following actions.
- (3) Research to determine if the return has a valid political organization name control. See IRM 3.13.12.6.5(6) for instructions on how to input a political organization name and name control.

If	Then
the name control isn't valid,	correct the Master File with a TC 013 using either CCs ENREQ/BNCHG or EOREQ/EOCHG.
the name control is valid	no further action is necessary.

- (4) Ensure the electronic Form 8871 TC 150 MFT 47 or TC 971 ac 350 and Form 8453-X TC 971 ac 351 posted to Master File. If they have not posted, correspond with the organization informing them they must file Form 8871 electronically and send Form 8453-X with a signature to Ogden.
- (5) Research IDRS to determine if the organization has a valid EIN.

If	Then
the organization has a valid EIN	continue processing.
the EIN isn't valid,	research IDRS and the POFD web site for a valid EIN.
an EIN is found	<ol style="list-style-type: none"> <li>a. print copies of any forms filed under the incorrect EIN.</li> <li>b. Update Oracle.</li> <li>c. Send a 3910C or other appropriate letter to the organization informing them of their correct EIN.</li> </ol>

3.13.12.14.3.7  
(01-01-2022)

**TCC Tier II Electronic  
8872 Change of Address  
Submissions**

- (1) Access the Political Organization Filing and Disclosure (POFD) web site and locate the organization's information.

If	Then
the address is the same as the address on Master File	take no further action.
the address isn't updated	change the address on Master File with a TC 014 using CCs ENREQ/BNCHG or EOREQ/EOCHG. Update ORACLE.
the organization filed an electronic Form 8871,	access ORACLE and update the address on the most current Form 8871.

If	Then
the name has changed,	update the organization's name on IDRS, send a 252C letter. <b>Note:</b> It isn't necessary to send a 252C letter if the change is only to update the name to the proper format.

## 3.13.12.14.3.8

(01-01-2022)

**TCC Tier II Final 8872 Submissions**

- (1) Research INOLE to determine if the organization is required to file a Form 990.

If	Then
there are no Form 990 filing requirements,	the organization isn't required to file a final Form 1120-POL. Update the EO Status to 20 with a TC 016 Doc Code 80 Definer Code B.
there is a Form 990 filing requirement,	they are required to file a Final Form 990 and 1120-POL.
both final returns for 1120-POL and 990 have posted and the EO Status is not 20,	update the EO Status Code to 20 with a TC 016, Doc Code 80, Definer Code B.
one or both final returns have not posted,	<ul style="list-style-type: none"> <li>a. correspond with the organization instructing them they must file their final returns.</li> <li>b. Don't update the EO Status to 20.</li> <li>c. Update the 527 Political Organization Indicator to "9" with CC BNCHG TC 016 Doc Code 63.</li> </ul>

## 3.13.12.14.3.9

(01-01-2022)

**TCC Tier II Initial Electronic 8871 Filings that are Missing 8453-X**

- (1) Access the POFD web site and locate the organization's information.
- (2) Research to determine if the Form 8871 and 8453-X were filed under a different EIN.

If	Then
another EIN is located and a TC 150 for MFT 47 and a TC 971 ac 351 posted,	no further action is required.

If	Then
another EIN isn't located and the TC 971 ac 351 has not posted	a. correspond with the organization using 3710C letter. b. Request the organization sign the 8453-X declaration.
the organization responds with a signed declaration,	input a TC 971 ac 351 on Master File.
the response states they are not a political organization and another EIN is assigned	a. Zero out the 527 indicator and 1120-09 filing requirements. b. Input a TC 022 to remove the subsection.

3.13.12.14.4  
(01-01-2022)  
**527 Correspondence  
Requesting User  
ID/Password**

- (1) Following the initial submission of an electronic Form 8871, an organization is required to submit a paper Form 8453-X. When the 8453-X is received, a TC 971 ac 351 is input. When the combination of the TC 150 and TC 971 ac 351 post to a PAC's EIN, a user ID and password are generated and sent to the organization in a 3406SC letter. This password is needed to file future Form(s) 8871 and 8872.

**Note:** User ID and password letters (3406SC) are only generated on Thursdays.

- (2) When responding on issues concerning User ID/Password, research the following:
- Verify a Form 8871 was filed by checking BMFOLT for a TC 150 on MFT 47 or a TC 971 ac 350. If not present, correspond or call the organization requesting the missing form. If corresponding use 3710C letter.
  - Verify Form 8453-X was filed by checking BMFOLT for a TC 971 ac 351 on MFT 47. If not present, call or correspond with the organization requesting the missing form. If corresponding, use 3710C letter.

**Note:** If the request is received before the account is completely established and/or the Form 8871 & 8453-X is pending, hold the request and check one cycle later for posting.

- (3) If both a Form 8871 and 8453-X are present, reset the password. Do the following:
- Access the Political Action Committee Reporting System.
  - From home screen click on "press to continue". Then click "OK".
  - Enter your PAC user name and password. Then click "connect".
  - Click on "Create/Query/Reset/Delete Password".
  - Enter EIN of organization and click "submit query".
  - Update the address if needed and click "update mailing info".
  - Click on "reset account" to reset password or click "delete account" to delete a password account.

**Note:** The notice date/transmit date indicates the last date the password was sent to the organization.

- (4) If the organization indicates a different mailing address on their request, update the mailing address on ORACLE before resetting the password.
- (5) If a user ID and password were established for an organization in error, the password can be deleted using the steps in paragraph 3 above.

3.13.12.14.5  
(01-01-2022)

**Deleting and Re-imaging  
Forms 8871, 8872 & 990**

- (1) IRC 527 Political Organizations must make available to the public their Form(s) 8871, 8872 and 990. The IRS posts these returns to a public web site. When an organization files using an incorrect EIN, the imaged version of the form must be deleted from the incorrect EIN and re-imaged under the correct EIN.
- (2) To re-image the form to the correct EIN, do the following:
  - Access the Section 527 Online Document Images web site.
  - Locate the form(s) image by searching using the organization's name and EIN.
  - Print the form(s) filed under the incorrect EIN.
  - Edit the correct EIN on the form(s) notate "re-image and destroy" across the top of the forms.

**Note:** Don't image Form 1120-POL.

  - Attach a green router and the form(s) to EO/Imaging at M/S 6058. Place in outgoing internal mail basket.

3.13.12.14.6  
(01-01-2022)

**527 Compliance Notices**

- (1) Three compliance notices will be issued to 527 political organizations:
  - CP 249A, Form 8871 Not Filed
  - CP 249B, Form 8872 Late
  - CP 249C, Form 8872 Not Filed
- (2) To process a response to the CP 249A, Form 8871 update the 527 Political Organization Indicator to a "2" using CC ENREQ/BNCHG TC 016 Doc. Code 63 if the one of the first four boxes is checked in Section I on page 2 of the notice.
- (3) There are no processing instructions for CP 249B, Form 8872 Filed Late. If a CP 249B is received, destroy per local procedures.
- (4) Process the responses to the CP 249C as follows:
  - a. If the organization completed Section I of the notice, research IDRS and IRS web site for the Form 8872 and tax period in question. If necessary, make an EIN correction and re-image the return. See IRM 3.13.12.11.11, for further EIN correction instructions.
  - b. Update the 527 Political Organization Indicator to a "5" using CC ENREQ/BNCHG TC 016 Doc. Code 63 if the first box is checked in Section II on page 2 of the notice.
  - c. Update the EO Status Code to 20 using a CC EOREQ/EOCHG TC 016 Doc. Code 80 Definer Code B if the second box in Section II is checked. Also, update the 527 Political Organization Indicator to a "9" with CC ENREQ/BNCHG TC 016 Doc. Code 63.

**Caution:** Only update to EO Status Code 20 if all final returns were filed.

**Note:** Updating the 527 Political Organization Indicator to "9" will stop the generation of any further notices.

d. If Section IV was completed, update ORACLE.

(5) Once the notices are processed, destroy per local procedures.

3.13.12.15  
(01-01-2022)  
**Form SS-16**

- (1) Religious orders whose members are required to take a vow of poverty may file an election to have their members subject to FICA (PL 92-603). In order to make this election the religious order must file a Form SS-16, Certificate of Election of Coverage Under the Federal Insurance Contributions Act.
- (2) This certificate of election is **irrevocable** and applies to all current and future members of the order or subdivision. The order or subdivision must pay Social Security and Medicare taxes for each active member. The taxes are reported on Form 941 or Form 941-X as appropriate.
- (3) Process the Form SS-16 as follows:
  - a. Verify the effective date on the Form SS-16 is correct. The effective date must be the first day of:  
the calendar quarter in which the Form SS-16 was filed,  
the calendar quarter after the quarter in which for Form SS-16 was filed,  
**or**  
any one of the 20 quarters before the quarter in which the Form SS-16 was filed.
  - b. If the effective date doesn't follow the guidelines listed above or is missing, return the Form SS-16 to the order or subdivision with a 3064C letter explaining the Form SS-16 can't be processed with an incorrect or missing effective date.
  - c. If the effective date is correct, mark each copy of the Form SS-16 "Accepted by the IRS, (date)".
  - d. Copy A should be given to the Lead. The Lead will forward Copy A of the Form SS-16 to the SPP Analyst at M/S 1110.
  - e. Notate the EIN of the entity on the Form SS-16 and forward copy B of the Form SS-16 to the SSA at the following address:  
Social Security Administration  
300 N Greene St  
4-D-15-NB MW  
Baltimore, MD 21290  
Attention: DES
  - f. Return copy C to the organization. Send 2191C letter to inform them of their filing requirements.

3.13.12.16  
(01-01-2022)  
**Form 56**

- (1) For processing instructions, see IRM 3.13.2.

3.13.12.17  
(01-01-2022)  
**Churches Electing  
Exemption from FICA**

- (1) This section covers the processing of Form 8274, Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption from Employer Social Security Taxes and Medicare taxes, and the REV EMP C transcripts that identify churches electing to pay FICA.

3.13.12.17.1  
(01-01-2022)  
**Form 8274**

- (1) The Social Security Amendments Act of 1983 (Public Law 98-21) changed the law covering social security taxes. Beginning Jan. 1, 1984, organizations exempt under IRC 501(c)(3) became liable for FICA taxes with few exceptions.

- (2) The Deficit Reduction Act of 1984 modified the provisions of Public Law 98–21 by providing churches and qualified church-controlled organizations, which are opposed for religious reasons to the payment of Social Security and Medicare taxes, a method to elect exemption from the payment of the employers' share of these taxes. The election is made by filing **Form 8274, Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption From Employer Social Security and Medicare Taxes.**
- (3) The term church means a church described in IRC 501(c)(3) and 170(b)(1)(A)(i) that includes conventions or associations of churches. It also includes an elementary or secondary school that is controlled, operated, or principally supported by a church (or conventions or association of churches).
- (4) The term qualified church-controlled organization includes any church-controlled tax exempt organization described in IRC 501(c)(3) **unless** the organization both:
  - Offers goods, services or facilities for sale to the general public, other than on an incidental basis or for a nominal charge, **and**
  - Normally receives more than 25% of its support from governmental sources and/or receipts from admissions, sales of merchandise, services or facilities in related trade or business activities.
- (5) This election generally applies to services performed by all current and future employees of the electing church or church controlled organization. However, this election doesn't apply to services as minister of a church, members of a religious order, or services performed in an unrelated trade or business of the electing organization.
- (6) Determination of whether they are a qualified church controlled organization **will not be the responsibility of Entity Control. Accept the Form 8274 as filed.**

3.13.12.17.2  
(01-01-2022)

**Processing Procedures  
for Form 8274**

- (1) The following transactions codes are used to process Form 8274. These transaction codes are input using CC ENREQ/BNCHG with Doc. Code 63.

Transaction Code	Definition	IDRS Input
070	Records the filing of an accepted Form 8274. Updates the Employment Code to C if the previous Employment Code was W. Removes the Form 940 filing requirement if present.	<ul style="list-style-type: none"> <li>• Effective Date (required)</li> <li>• sequence number</li> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>
071	Revokes the election of exemption from FICA. Employment Code C is deleted and Employment Code W is added.	<ul style="list-style-type: none"> <li>• Effective Date (required)</li> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>
072	Deletes a TC 070 input in error. Employment Code C is deleted and Employment Code W is added.	<ul style="list-style-type: none"> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>

Transaction Code	Definition	IDRS Input
073	Corrects a TC 071 input in error. Reverses all previously posted TC 071 transactions. The election must be re-established with the input of another TC 070.	<ul style="list-style-type: none"> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>
080	Denies the election of exemption from FICA.	<ul style="list-style-type: none"> <li>• Effective Date (required)</li> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>
081	Reverses the input of a TC 080.	<ul style="list-style-type: none"> <li>• Posting Delay Code (optional)</li> <li>• Remarks</li> </ul>

- (2) Research IDRS to determine if:
  - a. An Employment Code C **and** TC 070 or 071 are already on the module. If the Form 8274 appears to be a duplicate request, associate the Form 8274 with the DLN of the TC 070 or 071 and send to files. Don't sent a 1921C letter.
  - b. The entity has an EO section with a Status Code of 22 (revoked) or 70 (denied).
- (3) Review the form for a signature. If the signature is missing, return the Form 8274 to the applicant requesting it be signed.
- (4) **If Form 8274 received with Form SS – 4**, process as follows:
  - a. Process the Form SS – 4 first according to standard procedures for EIN assignment regarding Exempt Organizations. See IRM 21.7.13.
  - b. Using a posting delay code of 1, input the actions necessary to process the Form 8274. See IRM 3.13.12.17.2.2.
  - c. Include a Form 941 as an attachment to the acknowledgment letter.

3.13.12.17.2.1  
(01-01-2022)  
**Processing Denied  
Forms 8274**

- (1) The election is to be denied if:
  - a. **The election was not filed prior to the first date on which the quarterly Form 941 would be due.**
  - b. Form(s) 941 were previously filed.
  - c. **There was a previous filing of Form 8274**, and the election is currently in effect, or the election was revoked.
  - d. **Exempt Status under IRC 501(c)(3) of the IRC was denied or revoked.** Those having EO Status Codes 22 (revocation), 70 (denied) or 97 (automatic revocation) are to be denied this election.

**Note:** Organizations having EO Status Codes 41 (no reply to solicitation), 71 (failed to establish) or 72 (refusal to rule) should not be denied if other factors are met.

- (2) **Issue letters of denial as follows:**
  - a. Use letter 1921C.



- b. The original Form 8274 should be returned to the taxpayer along with the original letter, one copy of the letter, and a blank Form 941.
- (3) Using CC ENREQ/BNCHG with Doc. Code 63, input TC 080, the effective date, and remarks.

3.13.12.17.2.2  
(01-01-2022)

**Processing Accepted  
Form 8274**

- (1) **Process accepted Form 8274 as follows:**
  - a. Research to locate an EIN if one isn't present on the form. If an EIN cannot be located for the entity, assign a number using standard EIN assignment procedures for Exempt Organizations, Notice Indicator A, Return ID Code of 00 (other), and tax period 000000. Notify Cincinnati of the EIN assignment if necessary.
  - b. Using CC ENREQ/BNCHG with Doc. Code 63 and a Posting Delay Code of 1, input TC 070 along with the sequence number of input, the effective date and remarks. This will generate the Employment Code C.
  - c. The effective date of the accepted Form 8274 is the first day of the quarter in which the Form 8274 is received.
  - d. If Form 8274 is received after the end of the quarter but before the due date of the return, the effective date is the first day of the preceding quarter.
  - e. Remarks must begin with the alpha's "SD" to alert files the IDRS transaction record must be associated with a source document. Source documents should be in numerical order starting with 001 and each subsequent source document numbered sequentially.
  - f. When the election contains a statement there are no employees at the time and the election is being submitted in anticipation of future employees, input TC 070 to generate the Employment Code C and follow with TC 016 with posting delay code of 1 to delete the 941 FRC of 01. This will allow the entity to reflect the 8274 posting and the effective date. Annotate the Form 8274 with "No employees at time of submission—FR removed."
  - g. If a GEN is indicated on the Form 8274, establish an EO section from information on the pilot voucher.
  - h. Send the original Form 8274 to Files as the source document for the TC 070. Send a copy of the accepted Form 8274 to the taxpayer with a 1921C letter.

3.13.12.17.2.3  
(01-01-2022)

**Appeal of Denial of  
Election**

- (1) If the taxpayer appeals the denial of the election or requests reinstatement after the election was revoked, process as follows:
  - a. If the taxpayer was denied because of late filing and gives a "reasonable" cause for not filing the Form 8274 timely and is no more than two quarters late, approve the exemption from FICA. If the taxpayer can't give a good reason for being late and filed more than two quarters late, deny the appeal for exemption.
  - b. If the taxpayer was denied because a Form 941 was filed prior to filing the Form 8274 and the taxpayer indicates the Form 941 was filed for the church minister, approve the exemption from FICA. If the taxpayer filed the Form 941 for employees, deny the appeal for exemption.
  - c. If the appeal is approved, input a TC 081 and see IRM 3.13.12.17.2.2 for procedures to process accepted Forms 8274.
  - d. If the appeal is disapproved, correspond with taxpayer using letter 1921C indicating the appeal was denied.



3.13.12.17.2.4  
(01-01-2022)  
**Form 843**

- (1) If a Form 843 claim is received in Entity Control, forward to Accounts Management for processing

3.13.12.17.3  
(01-01-2022)  
**REV EMP C Transcripts**

- (1) The BMF will generate these transcripts when a Form 941, Document Code 35 or 41 posts to an account with Employment Code C and FICA tax is paid. The transcript will be for the entity and the 941 tax modules from 8503 to present. These transcripts should be worked within 30 work days after receipt.

3.13.12.17.3.1  
(01-01-2022)  
**Background**

- (1) These transcripts identify a church that filed Form 8274 (Employment Code C) and is now electing to pay FICA, revoking the Form 8274 election.
- (2) The revocation is made by the church filing Form 941 and paying the FICA taxes. The revocation can be made for tax periods beginning after Jan. 1, 1987 or the same date as the Form 8274 was effective (posted TC 070 effective date). A date in between these dates is invalid.
- (3) Initiate taxpayer contact by telephone or correspondence to verify whether they are electing out of their Form 8274 election and the effective date of their revocation, or if they are required to pay FICA for some of their employees.

If	Then
The taxpayer states they are revoking the Form 8274 election:	<ol style="list-style-type: none"> <li>Input TC 071 with the effective date the taxpayer requested, if it agrees with the TC 070 effective date or if it is for a quarter after Jan. 1, 1987.</li> <li>Inform the taxpayer we will make the revocation effective for one of the two dates and they must make the necessary adjustments with the employees and social security.</li> <li>Input TC 071 with the appropriate effective date.</li> <li>Associate the revocation with the TC 070 DLN.</li> </ol>
The taxpayer isn't revoking their Form 8274 election due to employees whose wages are not exempt such as those engaged in non-related business activities,	<p>Maintain a list of EINs and organization names per local campus procedures.</p> <p><b>Note:</b> Organizations revoking their election will be removed from this list.</p>
No reply or unable to contact the taxpayer:	<ol style="list-style-type: none"> <li>Input TC 071 for the earliest quarter in which you can determine FICA was paid.</li> <li>Associate the revocation with the TC 070 DLN. Annotate "No Reply" on the transcript and associate with the TC 070 DLN.</li> <li>Remove the organization from the list.</li> </ol>
A TC 071 was input due to an error:	<ol style="list-style-type: none"> <li>Reverse the transaction with a TC 073.</li> <li>Reinput the TC 070 one cycle later.</li> </ol> <p><b>Caution:</b> The TC 073 is only used when it is determined the TC 071 was a campus error, and is <b>never</b> used due to a taxpayer error oversight. If unable to make a determination, see your supervisor before inputting the TC 073.</p> <ol style="list-style-type: none"> <li>Add to the list.</li> </ol>
The organization requests reinstatement of election:	<ol style="list-style-type: none"> <li>Determine if the organization's request is justifiable; i.e., the organization has employees of an unrelated business and is paying social security taxes.</li> <li>If the organization has justifiable reasons, reverse the transaction with TC 073 and reinput the TC 070 one cycle later.</li> <li>If not, send a letter denying reinstatement.</li> <li>If accepted, add to list.</li> </ol>

3.13.12.18  
(01-01-2022)  
**Form 1128**

- (1) Forms 1128, Application to Adopt, Change or Retain a Tax Year, are filed in accordance with certain Revenue Procedures and IR Regulations. The forms must be signed and completed in a certain manner with specific criteria met before approval action can be taken.

3.13.12.18.1  
(01-01-2022)  
**General Instructions**

- (1) Review each Form 1128 in accordance with the guidelines indicated below.
- (2) All Forms 1128 will be date stamped in Receipt and Control and have the envelope attached. If there is any question as to meeting the timeliness requirement, use the postmark on the envelope, applying a 15-day grace period.
- (3) If Form 1128 is filed more than 60 days prior to the close of the short period, return it with 2233C letter. This doesn't apply to Forms 1128 filed to retain a current tax year.
- (4) If Form 1128 indicates a change to the taxpayer's address, update the Master File with TC 014 per Form 1128.

**Caution:** Don't change the Master File if there is any doubt as to whether it is the taxpayer's address shown on Form 1128.

- (5) The following are **transaction codes** relating to Form 1128 processing:
  - a. **TC 052** is used to correct or reverse TCs 053/054/055. If a TC 053 is reversed, the FYM will revert to the prior FYM. If a TC 052 is input to reverse a TC 053, make a print of BMFOLE, highlight the DLN of the TC 053, and request the input of the TC 052 be attached to the previous TC 053.
  - b. **TC 053** is used to identify accounting period changes as a result of Form 1128. The input of a TC 053 will generate a CP 284 to the organization telling them their Form 1128 was accepted. This transaction code will be input with CCs ENREQ/BRCHG. **BRCHG is restricted to Entity Control.**
  - c. **TC 059** indicates Form 1128 was denied. The input of a TC 059 generates a CP 285 to the taxpayer telling them their Form 1128 was denied.

3.13.12.18.2  
(01-01-2022)  
**Processed at the Campus**

- (1) Forms 1128 filed under **Part II - Expeditious Approval Rules** are the only Forms 1128 that should be filed at the campus.
- (2) The Expeditious Approval Rules includes Revenue Procedures:
  - 92-13, 1992, formerly 84-34 (section 4)
  - 87-32, 1987-2 (section 4), section 4.01(1)
  - 66-50, 1966-2
  - 85-58, 1985-2 (tax-exempt organization)
  - 76-10, 1976-1 (tax-exempt organization)
  - 2003-62
- (3) If Form 1128 is filed under Part II - Expeditious Approval Rules, they should not include a user fee.

3.13.12.18.3  
(01-01-2022)

**Processed at National Office**

- (1) Forms 1128 filed under **Part III - Ruling Provisions** should be filed with National Office.
- (2) If the taxpayer isn't filing Form 1128 under Part II - Expeditious Approval Rules, return the Form 1128 to the taxpayer and explain the Form 1128 should be filed at Covington, KY per instructions on the Form 1128.

**Note:** The instructions for Form 1128 are very specific about where the taxpayer should be filing and the amount of the user fee that may be due.

- (3) There should be no Forms 1128 in suspense waiting for a ruling from National Office. All cases should be closed out and returned to the taxpayer advising the taxpayer they should forward their requests to National Office for rulings.

3.13.12.18.4  
(01-01-2022)

**Taxpayer Erroneously Filed at National Office**

- (1) In some instances, taxpayers who meet the automatic approval provisions (Form 1128 can be processed in the campus), are sending Form 1128 to the National Office in error. The National Office will forward the Form 1128 to the appropriate campus and send the taxpayer a letter advising the organization of National Office's action on their behalf.

3.13.12.18.5  
(01-01-2022)

**Late Filing Appeals**

- (1) If correspondence is received from the taxpayer as a result of Form 1128 being denied because it was filed late, and the taxpayer requests relief under Revenue Procedure 92-85 (as modified and clarified by Revenue Procedure 93-28), Revenue Procedure 93-1 (superseded by Revenue Procedure 2021-1 as updated annually) or Section 301.9100 or requests an extension be granted, return the request to the taxpayer explaining these requests should be filed at the National Office per instructions on the Form 1128.
- (2) Don't suspend Form 1128. Close out all cases.

3.13.12.18.6  
(01-01-2022)

**User Fees**

- (1) Effective with Forms 1128 postmarked on or after 2-1-88, the IRS will charge a user fee when the taxpayer requests a ruling from National Office on his accounting period. If the taxpayer doesn't qualify for expeditious approval provisions, he is instructed to file his Form 1128 with the Internal Revenue Service in Covington, KY. In the event the taxpayer sends his Form 1128 to the campus with the payment attached, Receipt and Control will return the check or money order to the taxpayer with a letter of explanation (letter 2340C). Form 1128 will be sent to Entity Control. It will be notated "UFR" (User Fee Returned).
- (2) If the taxpayer's check also included a tax payment, the full amount will be applied to his tax account because Receipt and Control will be unable to return the check or money order. The taxpayer is to be notified with letter 2340C.
- (3) If correspondence is received from the taxpayer requesting a refund of the user fees, forward it to Accounts Management.

3.13.12.18.7  
(01-01-2022)

**Incomplete Form 1128**

- (1) If any required information is missing and cannot be determined from research, contact the organization by telephone or correspondence using letter 2233C to request a complete Form 1128. Return the incomplete Form 1128 to the taxpayer.

3.13.12.18.8  
(01-01-2022)  
**Revenue Procedure  
85-58 or 76-10**

- (1) These revenue procedures apply to tax-exempt organizations.
- (2) Revenue Procedure 85-58:

If	Then
The organization is exempt under IRC 501(a), 501(c), or 501(d), has not changed its tax year at any time during the last 10 calendar years,	The organization doesn't have to file a Form 1128 (Revenue Procedure 85-58 does apply).
The organization is exempt under IRC 526, 527, or 528,	Revenue Procedure 85-58 <b>doesn't</b> apply.
The organization is exempt under IRC 401(a),	Revenue Procedure 85-58 <b>doesn't</b> apply.
The organization is requesting a change in tax year for a group,	Revenue Procedure 85-58 <b>doesn't</b> apply. See Revenue Procedure 76-10 (as modified by Revenue Procedure 79-3).

- (3) Revenue Procedure 76-10 (as modified by Revenue Procedure 79-3) applies to parent organizations who apply for a change in tax year on a group basis.

If	Then
The organization has unrelated business taxable income,	Revenue Procedure 76-10 <b>doesn't</b> apply.
The organization is a private foundation defined in IRC 509(a),	Revenue Procedure 76-10 <b>doesn't</b> apply.

3.13.12.18.9  
(01-01-2022)  
**Necessary Conditions**

- (1) Examine the form for timeliness, eligibility and completeness.

3.13.12.18.9.1  
(01-01-2022)  
**Timeliness**

- (1) The application must be filed on or before the 15th day of the 5th month following the ending of the short period indicated in Part 1, item 3.

3.13.12.18.9.2  
(01-01-2022)

**Eligibility**

- (1) Maintain the same exempt status for both the short period and the preceding year. Verify by research.
- (2) The filing requirements must be 990-01, 990-02, 990-03, or 990-06; 990-PF - 01 and 990-T - 1; 990-02 and 990-T - 1; 990-06 and 990-T - 1.
- (3) For FRC 990-03, attach a letter signed by the principal officer of the central organization and include the following:
  - A list of the name, EIN, mailing address and Zip code of each subordinate included in the request. If all subordinates are included, a statement to that effect is sufficient.
  - Information to verify the fact the subordinates are exempt on a group basis (including a copy of identification of its group exemption letter). A valid group exemption number (GEN) is acceptable.
  - A statement each subordinate has given written authorization to the control organization to include it in this application.
  - A statement each subordinate has given written certification to the central organization it isn't disqualified under Section 8 of Revenue Procedure 76-10 from being included in this application. Organizations disqualified by Section 8 would be Form 990-C/ 1120-C filers, Form 990-PF filers, and certain Form 990-T filers. The disqualified Form 990-T filers are those that would not meet the special criteria on taxable income listed in Section 8.

3.13.12.18.9.3  
(01-01-2022)

**Completeness**

- (1) To be complete the application should be identified by "tax exempt organization" checked in the heading and contain the following:
  - a. Signature of an official of the organization. If an agent is designated, a power of attorney must be attached. Forward the POA of the CAF unit only if other returns are indicated. Annotate the case file "POA to CAF". Correspondence should be directed to the POA in accordance with the information on the POA form.
  - b. All applicants must complete Parts I and II.

3.13.12.18.10  
(01-01-2022)

**Form 3115, Application for Change in Accounting Method**

- (1) Form 3115 is filed to request a change in either an overall accounting method or the accounting treatment of any item.
- (2) Form 3115 is filed and processed by EO National Office and a copy is required to be attached to the organization's tax return filed for the year of the change.
- (3) Form 3115 should be left attached to the return. If a loose Form 3115 is received in Entity, mail the form to Internal Revenue Service, Tax Exempt & Government Entities, PO Box 2508, Cincinnati, OH, 45201.

3.13.12.18.11  
(01-01-2022)

**Revenue Procedure 2003-62**

- (1) This revenue procedure relates to estates and trusts.
- (2) Generally, trusts must use a calendar year, with the exception of trusts exempt under IRC 501(a) or trusts described in 4947(a)(1) (i.e., Form 990 or 990-PF filers, not Form 5227 filers).
- (3) Examine Form 1128 for the following information:

- a. **Timeliness** - The application must be filed on or before the 15th day of the 2nd month following the ending of the short period indicated in Part 1, item 3.
- b. **Eligibility** - The taxpayer must be requesting a change from a fiscal month year end to a calendar year.
- c. **Completeness** - Section A, Part III, must be completed, and the application must be signed. If an agent is designated, a Power of Attorney must be attached. Forward the POA to the CAF unit only if other returns are indicated. Correspondence should be directed to the POA in accordance with the information on the POA form.

3.13.12.18.12  
(03-01-2022)  
**Processing Accepted  
Form 1128**

- (1) If all of the required conditions are met, accept the application by doing the following:
  - a. Stamp "Accepted" on all copies of the application.
  - b. Using CC ENREQR/BRCHG, Doc. Code 63, input TC 053, the FYM and sequence number. Files will associate the IDRS Transactions Record with Form 1128 by the sequence number. Each record should be annotated with the date of input, the employee IDRS number, and the sequence number. Remarks must begin with the alpha's SD to alert Files the IDRS transaction action record must be associated with a source document.
- (2) If the FYM is changed, prepare Form 3465 and route to Accounts Management M/S 6552 for transfer of any credits.
- (3) If the FYM is changed and there are no credits on the account, input a TC 053.
- (4) A researcher can request Form 1128 by the DLN of the TC 053.

3.13.12.18.13  
(01-01-2022)  
**Processing Rejected  
Form 1128**

- (1) If one or more of the required conditions isn't met, the application should not be accepted.
- (2) Process rejected Forms 1128 as follows:
  - a. Using CC ENREQ/BNCHG, Doc. Code 63, research to ensure it is the correct amount. Input TC 059 with the appropriate Paragraph Selection Code.
  - b. Send a 2233C or other appropriate letter if the organization failed to complete Par 1 of the Form 1128.

Paragraph Selection Code	Definition
PSA	Informs the organization they did not provide us with the Internal Revenue Ruling which supports their request to adopt, change, or retain a tax year.
PSB	Notifies the organization a partner or an authorized corporate officer must sign the Form 1128; if an agent is designated, a power of attorney must accompany the application.
PSC	Tells the organization their application was filed late.



- c. Each record should be annotated with the date of input, the employee IDRS number, and the sequence number. The Remarks section must begin with the alpha's SD to alert Files the IDRS input record must be associated with a source document.
- d. Stamp the top of the Form 1128 "REJECTED".
- e. Use the rejected Form 1128 and any other pertinent document; e.g., postmarked envelope as the source document(s) with TC 059. Send the source document folder to Files.

3.13.12.18.14  
(01-01-2022)

**Processing Approved or  
Disapproved National  
Office Requests**

- (1) Process approved Form 1128 as follows:
  - a. Update the FYM via CC ENREQ/BNCHG, TC 053.
- (2) Process disapproved Form 1128 as follows:
  - a. Associate the copy of the ruling letter with Form 1128.
  - b. Reject Form 1128 with TC 059.

3.13.12.19  
(07-05-2023)  
**Form 8886-T**

- (1) Form 8886-T, Disclosure by Tax Exempt Entity Regarding Prohibited Tax Shelter Transaction, is filed to disclose a prohibited tax shelter and the identity of any other party to the prohibited transaction.
- (2) The Form 8886-T will post to the appropriate tax period with a TC 971 ac 370 and input using CC REQ77/FRM77.
- (3) The type of filers that are required to file a Form 8886-T are:
  - Exempt organizations filing Form 990 (MFT 67)
  - Exempt organization filing Form 990-PF (MFT 44)
  - Government entities filing Form 941 (MFT 01)
  - Government entities filing Form 944 (MFT 14)
  - Employee plan entities filing Form 5330 (MFT 76)
- (4) Use the following tax period by type of filer:
  - a. If the entity normally files a Form 990 or Form 990-PF, the tax period will be YYYY12.
  - b. If the organization is a government entity, the tax period will be YYYY06 for a Form 941 filer and YYYY12 for a Form 944 filer.
  - c. If the organization is a Form 5330 filer, the tax period will be YYYY12.
- (5) There can be multiple postings of a TC 971 ac 370 to a tax period. Filers may submit multiple Form 8886-Ts for the same EIN, however, the involved party information on line 4 will differ. Input a separate TC 971 ac 370 for each Form 8886-T received.
- (6) The TC 971 ac 370 can be reversed with a TC 972.
- (7) To input a TC 971 ac 370, use the following procedures:
  - Input CC ENMOD.
  - Input CC REQ77 with the EIN **NN-NNNNNNNN** on the first line, MFT **NN** (NN = MFT of type of filer per paragraph 3) and tax period **YYYYMM** (YYYYMM = tax period by type of filer per paragraph 4) on the second line, and Name Control **XXXX** on the third line.
  - On the FRM77 screen, input TC>**971**.



- Input TRANS-DT>**MMDDYYYY** (IRS received date).
- Input TC 971/151-CD>**370**.
- Input Remarks>**SD#### Form 8886-T**.

(8) To reverse a TC 971 ac 370 with a TC 972, use the following procedures:

- Input CC ENMOD.
- Input CC REQ77 with the EIN **NN-NNNNNNNN** on the first line, MFT **00** and tax period **000000** on the second line, and Name Control **XXXX** on the third line.
- On the FRM77 screen, input TC>**972**.
- Input TRANS-DT>**MMDDYYYY** (date of the TC 971 ac 370 being reversed).
- Input TC 971/151-CD>**370**.
- Input Remarks>**NSD reverse TC 971 ac 370**.

(9) After the TC 971 is input or if unable to input, forward the Form 8886-T to the TE/GE Analyst at Mail Stop 1110.

3.13.12.19.1  
(01-01-2022)  
**Form 8703 - Annual  
Certification of a  
Residential Rental  
Project**

- (1) Form 8703 will be received in Entity to perfect the EIN and name control of the Operator.
- (2) See table below for specific instructions:

If	Then
the EIN of the operator isn't present on the form	research for an EIN. Edit the correct EIN on the Form 8703. <b>Note:</b> Form 8703 is processed using the EIN of the operator. Ensure EIN belongs to the operator.
the name and EIN of the operator cannot be located and the name and EIN of the owner is present	edit the EIN and name control of the owner into the operator name and EIN field on the form.

3.13.12.20  
(06-06-2022)  
**Notices and Transcripts**

- (1) This section provides processing instructions for Master File CP notices 120, 120A, 120B, 120C, 172, and 192.

3.13.12.20.1  
(01-01-2022)  
**CP 120**

- (1) A CP 120 is sent when organizations are in status 40. The notice notifies the filer they are not recognized as tax exempt and should apply for exempt status.
- (2) If the filer indicates they are exempt under 4947(a)(1) or 4947(a)(2), update the account to Status 12. See IRM 3.13.12.6.18.8.

**Note:** This applies to 990-PF filers. If organization is filing Form 990, they must apply for exemption.

- (3) If the filer indicates they are a church, update the account to Status 30. See IRM 3.13.12.6.18.19.
- (4) If the filer indicates they are a small organization under IRC 501(c)(3) (less than \$5,000), update the account to Status 31. See IRM 3.13.12.6.18.19.
- (5) If the response indicates the filer is a political organization, update the account to Status 34. See IRM 3.13.12.6.18.20.
- (6) If the filer indicates they are other than an IRC 501(c)(3), (4), (9), (17) or (29) organization, update the account to EO status 36. See IRM 3.13.12.6.18.22.
- (7) If the filer indicates they are an IRC 501(c)(3), (4), (9), (17) or (29) organization, research EDS for an update. If the filer has an approved determination update using the account information from EDS. If there is no information on EDS, inform the filer they are required to apply for exempt status. Don't update the account.

3.13.12.20.2  
(07-05-2023)  
**CP 120A**

- (1) A CP 120A notifies the organization their tax-exempt status has been revoked for failure to file a Form 990 series return for three consecutive years.
- (2) Responses to a CP 120A should be worked per IRM 3.13.12.11.4, Status 97 Correspondence.
- (3) If any other type of response is received that is beyond the scope of EO Entity, send it to Accounts Management at M/S 6552 or destroy the notice if no action is needed.

3.13.12.20.3  
(06-06-2022)  
**CP 120B**

- (1) A CP 120B notifies a subordinate organization that they are no longer recognized as a tax-exempt subordinate in a group ruling letter.
- (2) The notice provides instructions on what the organization needs to do to be recognized as a tax-exempt organization.
- (3) Responses to a CP 120B should not be received in EO Entity; however, if a response is received requesting information as to why they are no longer under a group ruling, send the appropriate letter telling the subordinate to contact the parent organization.
- (4) If any other type of response is received that is beyond the scope of EO Entity, send it to Accounts Management at M/S 6552 or destroy the notice if no action is needed.

3.13.12.20.4  
(01-01-2022)  
**CP 120C**

- (1) A CP 120C notifies an organization that they haven't filed a required annual return or notice for two consecutive years and if they don't file for a third year their tax-exempt status will be automatically revoked.
- (2) If the organization responds to the notice with an original or copy of a return, input a TC 599 cc 018 and send the return for processing. Attach the notice to the back of the return.
- (3) If the organization claims they aren't required to file a return because it has gross receipts of \$50,000 or less and has a Form 990 FRC of 01, input a TC 590 cc 020 and TC 016 to update the Form 990 FRC to 02. Updating the FRC to 02 will automatically generate a CP 299 instructing the organization they are required to file an electronic 990-N. Destroy the notice per local procedures.

- (4) If the organization states they are not liable to file because they are no longer in business (terminated), research for a final return. If a final return is found, input a TC 591 cc 020 on the subsequent tax year. If no final return is found, correspond to the organization stating they must file a final return. Destroy the notice per local procedures.
- (5) If the organization states they previously filed a return, but does not provide a copy of the return, no action is needed. Destroy the notice per local procedures.

3.13.12.20.5  
(01-01-2022)  
**CP 172**

- (1) A CP 172 is a follow-up action on an entity established as an exempt organization.
- (2) In every case where an entity is established with a Form 941/944 FRC of 01 and an Employment Code of W, a CP 172 is generated nine months after the EIN is issued. The CP 172 is sent to Entity Control through AMS for processing. The purpose of the notice is to allow Entity Control to verify the exempt status and, if necessary, correct the FUTA filing requirement and employment code.
- (3) If the CP 172 is for the American Red Cross or the National Ski Patrol, exempt status as an IRC 501(c)(3) organization was granted by an Act of Congress. Correct the Form 941 filing requirement, if necessary.
- (4) If the CP 172 is for a church, or church-controlled organization, take no action on the account, except to ensure there is no Form 940 FRC.

**Exception:** If the account has an EO Status of 71, update the Form 940 FRC to 1, if a Form 941/944 FRC is present.

- (5) If the CP 172 isn't for a church or religious organization, continue processing.
- (6) Check EDS to determine if they have applied for an exemption:

If	Then
They have applied under IRC 501(c)(3), 501(e), 501(f), 501(k), and the case is closed on EDS with Status Code 01, 06 or 09:	<ul style="list-style-type: none"> <li>a. The Form 941/944 FRC of 01 and the Employment Code W are correct.</li> <li>b. Delete the 940 FR if present.</li> <li>c. Destroy the notice per local campus procedures.</li> </ul>
They have applied under IRC 501(c)(3), 501(e), 501(f), 501(k) and the case is closed on EDS with a status code other than 01, 06 or 09 or an application isn't pending on EDS:	<ul style="list-style-type: none"> <li>a. Add a Form 940 FR of 1.</li> <li>b. Delete the Employment code of W.</li> <li>c. Research for a prior Form 940 liability.</li> <li>d. If no prior liability is indicated, destroy the notices per local procedures.</li> <li>e. If a prior liability is indicated, initiate a TDI by determining when the taxpayer became liable for filing Form 940 and inputting TC 474 via REQ77 for 3 cycles for each tax period. <b>Exception:</b> Don't input TC 474 unless the current cycle is more than 20 cycles after the tax period ending date, if the tax account for each specific period shows MF Status 02 or 03, and if a tax return has already been filed.</li> <li>f. If the 941/944 filing requirement code indicates an "03" or "51", check CC BMFOLI. If there is a money amount on the final Form 941/944, add the Form 940 filing requirement. If there is no money amount on the final Form 941/944, delete the Employment Code "W" and don't add either the Form 941 or Form 940 filing requirements.</li> </ul>
The IRC is 501(c)(3), 501(e), 501(f), 501(k), but the case is still open on EDS.	Destroy the notice per local campus procedures.
The EDS Status Code is 11,	<ul style="list-style-type: none"> <li>a. Update the EO Status Code on Master File to 71 with a TC 016 Doc. Code 80, Definer Code B.</li> <li>b. Destroy the notice per local campus procedures.</li> </ul>

If	Then
The IRC is other than 501(c)(3), 501(e), 501(f) or 501(k):	<ol style="list-style-type: none"> <li>Add a Form 940 FR of 1.</li> <li>Delete the Employment Code of W.</li> <li>Research for a prior Form 940 liability.</li> <li>If no prior liability is indicated, destroy the notice per local campus procedures.</li> <li>If prior liability is indicated, determine when the taxpayer became liable for filing Form 940. Input TC 474 via REQ77 for 3 cycles for each tax period unless the current cycle is more than 20 cycles after the tax period ending date, the tax account for each specific period shows MF Status of 02 or 03, or a tax return has already been filed.</li> <li>If money has posted to Form 940 and the organization isn't liable, prepare a Form 3465, attach a print of CC BMFOLI to request a manual refund for one or multiple tax periods and send to BMF Accounts.</li> </ol>
You find no record of the entity as an exempt organization after checking EDS and the BMF:	<ol style="list-style-type: none"> <li>Delete Employment W, add Form 940 FR of 1, and add Form 941 FR of 1 (if necessary) with CC ENREQ/BNCHG.</li> <li>If no prior liability is indicated, destroy the notice per local procedures.</li> <li>If prior liability is indicated, determine when the taxpayer became liable for filing Form 940. Input TC 474 via REQ77 for 3 cycles for each tax period unless the current cycle is more than 20 cycles after the tax period ending date, the tax account for each specific period shows MF Status of 02 or 03, or a tax return has already been filed.</li> </ol>
A state or local government instrumentality receives an exemption under IRC 501(c)(3) :	<ol style="list-style-type: none"> <li>Don't assign FUTA taxes for Employment Code T entities.</li> <li>Don't change the Employment Code to W or assign an Employment Code W to this entity. The Employment code must be G or T as applicable.</li> </ol>

- (7) When corresponding with the organization to tell them they are not required to file a Form 940 and/or if a refund is being issued, use the 3997C or other appropriate letter.

**Caution:** The IRS Received Date on the CP 172 is incorrect. Don't use this date in the 3997C, or other appropriate letter. Use the Received Date on CC TXMOD instead.

3.13.12.20.6  
(01-01-2022)  
**CP 192**

- (1) The CP 192 notice is generated:
- When a Form 941 return with FICA wages reported posts to a Master File account and the entity reflects an Employment Code of G, or

- When a Form 940 return reporting FUTA tax posts and the account has an Employment Code of F, W or T.

(2) Process FUTA filers with EC of F, W, C, or G as follows:

- a. Determine if the return posted to the correct entity. If not, forward the notice and the research information to Adjustments for disposition.
- b. Determine if the employment code on the BMF is correct. See IRM 3.13.12.6.28 for employment code instructions.

**Note:** The American Red Cross and the National Ski Patrol were granted IRC 501(c)(3) exempt status by an Act of Congress. Delete the Form 940 filing requirement for these organizations.

If	Then
IDRS indicates the organization is no longer exempt under IRC 501(c)(3), there is no EO section, or the EO section has an EO Status Code of 41/70-72:	<ul style="list-style-type: none"> <li>a. Don't assign FUTA taxes for Employment Code "G "or "T" entities.</li> <li>b. Research EDS for a pending application. If there is a pending application and there is an open status code (50 and greater), attempt to determine the subsection code on the application for exemption.</li> <li>c. If the organization is applying under IRC 501(c)(3), they are exempt from paying FUTA taxes during the application process. Remove the Form 940 FR with a TC 016.</li> <li>d. If the organization is applying under a subsection other than IRC 501(c)(3), input a TC 016 to delete the EC and add a Form 940 FR if necessary. Destroy the notice per local procedures.</li> <li>e. Based on EDS research, make corrections to Master File if necessary.</li> </ul>
Account is in Status 19, 22, 41, 70, 71, 72, 97, 98 or 99	Take no action.
IDRS indicates the organization is no longer exempt under IRC 501(c)(3) because the EO Status Code is 20 or 28,	Delete EC W and add a Form 940 FR with CC ENREQ/BNCHG.
The EC is incorrect,	Input the correct EC or delete the EC as applicable and destroy the notice per local procedures.

If	Then
The EC is "F" indicating the entity isn't liable for FUTA and the CP notice shows a taxable wages amount,	<p><b>Note:</b> It is required to contact the Federal Agency Delinquency (FAD) unit before preparing any refund to identify Federal Agencies that house civilian employees and are required to file Form 940 for their civilian employees. These entities will have an EC "F" on their account. You must follow the procedures below for any account with an EC "F."</p> <ol style="list-style-type: none"> <li>Call the FAD Unit in BSC prior to completing the Form 3465 to receive approval to complete the Form 3465 and request BMF Accounts to refund the tax. Fax the request to the FAD Centralized unit at 512-499-5780.</li> <li>If the FAD Unit indicates the tax should not be refunded, take no action and destroy the CP 192.</li> <li>If the FAD Unit indicates the tax should be refunded, prepare the Form 3465 and a CC BMFOLI print to refund the FUTA tax. Under remarks notate "FAD" to alert BMF Accounts the FAD Unit was contacted. Attach the CP 192 and any organization correspondence to the Form 3465 and route to Accounts Management M/S 6552.</li> <li>Input TC 016 to correct the filing requirements if necessary.</li> </ol>
The EC is correct, indicating the entity isn't liable for FUTA and the CP notice shows a taxable wages amount:	<ol style="list-style-type: none"> <li>Research CC BMFOLI and CC BMFOLT for FUTA (MFT 10) payments on future tax periods.</li> <li>Prepare a Form 3465 to request BMF Accounts refund the FUTA tax. Attach the CP 192 and any organization correspondence to the Form 3465 and route to BMF Accounts. Also request a manual refund for any current or future credits on any tax periods if present using Form 3465 for one or multiple tax periods per form.</li> <li>Input TC 016 to correct the filing requirement, if necessary.</li> </ol> <p><b>Note:</b> If the CP 192 indicates "No Liability", destroy the notice.</p>
You are unable to determine if the EC is correct:	<ol style="list-style-type: none"> <li>Delete the EC.</li> <li>Destroy the notice per local procedures.</li> </ol>



3.13.12.20.7  
(07-05-2023)  
**EO-EIN Transcripts**

- (1) Entity will receive EO-EIN transcripts delivered through the AMS into inventory.
- (2) Close transcript(s) by updating all accounts to EO Status Code 40 per IRM 3.13.12.6.18.23.

**Note:** No action is needed if an EO section is already established.

3.13.12.20.8  
(10-25-2022)  
**8453-X Transcripts**

- (1) Entity will receive 8453-X transcripts where the filer submitted a Form 8871 but failed to submit the 8453-X.
- (2) Take the following actions when working 8453-X transcripts:

If	Then
A TC 971 ac 351 isn't present or pending on the tax module	<ol style="list-style-type: none"> <li>1. Send a letter to the filer requesting submission of Form 8453-X.</li> <li>2. Close the case and destroy the transcript per local procedures.</li> </ol>
A TC 971 ac 351 is already present on the account	Close the case and destroy the transcript per local procedures.

3.13.12.21  
(04-14-2023)  
**Undeliverable Mail**

- (1) When undeliverable mail is received in Entity, stamp with IRS/Entity Received Date. If the mail is returned with the information/forms/returns to be worked, stamp with a new IRS/Entity Received Date and "X" out the previous received date.
- (2) If previously undeliverable notices or correspondence is received back as undeliverable, destroy the notice or correspondence. Don't research for another address.
- (3) Undeliverable mail may have a United States Postal Service (USPS) sticker showing the organization's new address. Research to ensure the address on the USPS sticker isn't already posted/pending. If the address on Master File hasn't been updated, send letter 2475C to the address on the USPS sticker enclosing the undeliverable mail.
- (4) If an address update is pending on Master File that is different from the USPS sticker, destroy per local procedures.

3.13.12.21.1  
(04-14-2023)  
**Undelivered Notices**

- (1) Undelivered CP 57X notices (Notices of EIN Assigned) will be returned to EO Entity for research and correction of entity data. Process as follows:  
  
**Note:** Don't update a Master File address based on researching other sources or command codes. It is acceptable to mail a notice to another address using letter 2475C.

- a. Research the last three years on CCs INOLE and IRPTR, Definer Code L for a better address. If a better address is found send the undelivered

- correspondence back to the taxpayer using letter 2475C. "X" out the IRS received date on the undelivered correspondence.
- b. If no new address is found, contact the organization via telephone. Address changes can be input with oral testimony.
  - c. If the organization can be reached, hand address an envelope and re-mail the notice. "X" out the IRS received date on the undelivered notice.
  - d. If unable to contact the organization, destroy the notice. Input CC ESIGNU if the EIN was assigned from a return or the Tele-TIN program.
- (2) Undelivered CP 259A - H, delinquency notices, will be returned to EO Entity for research and correction of entity data. Process as follows:
- a. Destroy all notices, per local procedures, for accounts in Status 97.
  - b. Check CC BMFOLI to determine if the return listed on the CP 259A - H has posted. If the return has posted, destroy per local procedures.
  - c. If the return hasn't posted, research for a better address using information from current plus one year prior data. The following command codes can be used to research; CCs INOLE, BMFOLO, BMFOLI for prior year filings and the filing pattern, CC BRTVU for a better address on recent prior year filings, CC IRPTR for a better address on recent W-2 filings, CC TRDBV for returns, schedules and forms submitted and CC BMFOLE for actions taken on the account. If the organization is a 527 political organization, check all the available internet and intranet filings for a better address.

If	Then
A new address is found,	Send letter 2475C enclosing the undeliverable mail. "X" out the IRS received date stamped on the undeliverable notice.
A new address isn't found and the organization isn't a parent of a group ruling,	Input TC 593 cc 032 and destroy the notice per local procedures. <b>Note:</b> If the organization is a parent of a group ruling, see paragraph 3 for instructions on how to work.

- (3) Undelivered CP 259A or CP 259B, delinquency notices, for a parent of a group ruling (AF 6 or 8), process as follows:
- a. Destroy all notices, per local procedures, for accounts in Status 97.
  - b. Check CC BMFOLI to determine if the return listed on the CP 259A or 259B has posted. If the return has posted, destroy per local procedures.
  - c. If the return hasn't posted, see IRM 3.13.12.21.3, Undeliverable SGRIs, for research procedures.
  - d. If a better address is found from research, contact the organization to see why no return was filed and to inform them they could lose their exemption for failure to file the required annual information return as required by IRC 6033, using letter 1224C or 3064C.
  - e. If a new address is still not located, contact at least three active subordinate organizations informing them we are unable to locate the parent and are requesting they provide the current address of the parent. If the subordinate responds with a better address, contact the organization to see

why no return was filed and to inform them they could lose their exemption for failure to file the required annual information return as required by IRC 6033, using letter 1224C or 3064C.

- f. If the above attempts to contact the parent fail, destroy the notice per local procedures.
  - g. If the group ruling is dissolved, update the parent to an individual ruling with AF 3 and Status 01 per IRM 3.13.12.12.7.
- (4) CP 211A notices are sent to the taxpayer approving an extension requested on Form 8868.
  - (5) CP 299 notices are sent to organizations with a Form 990 filing requirement of 02 stating they may be required to file an annual electronic notice (e-postcard), Form 990-N. Failure to file an annual notice for three consecutive years will result in loss of their exempt status.
  - (6) CP 120A are notices sent to organizations if their tax exempt status is lost because they failed to file for three consecutive years.
  - (7) CP 120B are notices sent to subordinate organizations that are no longer recognized as a tax-exempt subordinate in a group ruling letter.
  - (8) CP 120C are notices sent to organizations that haven't filed a required annual return or notice for two consecutive years.
  - (9) If a CP 211A, 299, 120A, 120B, or 120C undeliverable notice is received, destroy the notice per local procedures. Don't research for a better address.

3.13.12.21.2  
(04-14-2023)

#### **Undelivered Correspondence**

- (1) Undelivered correspondence initiated by Entity will be returned to Entity for research and correction of entity data. Process as follows:
  - a. Research the last three years on CCs INOLE and IRPTR, Definer Code L for a better address. If a better address is found, send the undelivered correspondence back to the taxpayer using letter 2475C. "X" out the IRS received date on the undelivered correspondence.
  - b. If no new address is found, destroy the correspondence. Input a TC 593 cc 032.
  - c. If the 2475C is returned undeliverable, destroy per local procedures.

**Exception:** If the correspondence is part of a case being held in suspense, associate the correspondence with the document.

3.13.12.21.3  
(01-01-2022)

#### **Undeliverable SGRIs**

- (1) Undeliverable SGRIs will be returned to EO Entity for research and correction of entity data. If the address was recently updated on MF, send a 2475C letter to the parent with their tax information. Don't suspend the case. If not updated, use any of the following research tools to determine the correct address, preferably in order:
  - a. Research CCs INOLE or BMFOLO for a better address.
  - b. Research CC IRPTR for a better address on the W-2.
  - c. Research CC BMFOLI for prior year MFT 67 filings for the parent. Research CC BRTVU for prior year Form 990 filings to determine correct address of parent. There may be duplicate returns posted. Search both records to find the correct address.

d. If a better address is found from research, send a 2475C letter with a copy of the SGRI.

- (2) If a better address is not found for the parent, contact at least three subordinate organizations informing them we are unable to locate the parent and are requesting they provide the current address of the parent.

**Note:** QMF research may be used to find subordinate organizations that are filing Form 990 returns.

- (3) If no response is received within 60 days or a better address isn't found, take the following actions:
- Update subordinates for subsections IRC 501(c)(3), (4), (9), (17) or (29) to status 40.
  - Update subordinates for subsections other than IRC 501(c)(3), (4), (9), (17) or (29) to status 36.
  - Update the parent to an individual ruling with AF 3 and Status of 01.
- (4) If the parent organization is in Status 97, don't research for a better address. Update the subordinates per instructions above and file the undeliverable SGRI in the file retained in Entity.

3.13.12.21.4  
(04-14-2023)

#### Undeliverable Returns

- (1) Undeliverable letters with returns attached will be returned to EO Entity for research and correction of entity data. If the address was recently updated on MF, send letter 2475C to the organization enclosing the undeliverable mail. Don't suspend the case. If not updated, use any of the following research tools to determine the correct address, preferably in order. These instructions also apply to organizations that are in Status 97.

If	Then
The letter is returned as undeliverable,	Compare the address on the letter with the return.
A different address is shown on the return,	Send letter 2475C to the address on the return, enclosing the undeliverable mail.

If	Then
The addresses (primary address and location address, if available) on CCs INOLES, ENMOD, and/or NAMEE are the same as the letter and return,	<p>Send the letter to an address using the following priority order:</p> <ul style="list-style-type: none"> <li>• Address where the organization's books are located, Form 990, Part VI, line 20; Form 990-EZ, Part V, line 42a ; Form 990-PF, Part VI-A, line 14 ; Form 1120-POL, Additional Information, line 5c; Form 990-T, line L, page 1 (Form 990– T, line J, page 1 for 2019 and prior). Not applicable for Forms 1041-A, 5227, 4720 or 5578,</li> <li>• Review other schedules and documents attached to the return (including the envelope the return was received in), to see if there are other addresses for the taxpayer. If there are send letter 2475C to the organization, enclosing the undeliverable mail If the name of an officer or paid preparer is identified, include the name on the % line.</li> <li>• If no other addresses are found on IDRS or the return, call the organization or paid preparer to obtain a different address. Make sure all employee contacts are made following IRM 3.13.12.2.2, Section 3705(a), IRS Employee Contacts.</li> <li>• For additional information on undeliverable mail refer to IRM 3.13.2.5 Undeliverable Mail and Notices.</li> </ul>
A different address isn't located,	Forward the return to the TE/GE SPP Analyst at M/S 1110.

3.13.12.22  
(04-14-2023)  
**EO Delinquency Notices**

- (1) The Entity Function will receive and process (CPs 259A - 259H) EO delinquency notices. This will involve analyzing, researching, and processing notice responses and inputting corrective actions. TYD–14 notices are processed by SCCB.
- (2) Exempt Organization returns (Forms 990, 990-EZ, 990-N, 990-PF, 990-T and 5227) are delinquency checked 16 to 20 cycles after the return due date when the filing requirement is equal to 01 or 02 for Forms 990, 990-EZ and 990-N and 1 or 2 for Forms 990-T, 990-PF and 5227.
- (3) If no return, copy of return or acceptable response is included with the notice, destroy the notice per local procedures. Do not request a prior year return.

3.13.12.22.1  
(01-01-2022)  
**Background**

- (1) The information that follows will provide background information on which EO returns are taxable and subject to delinquency checks. It will also provide background on how Taxpayer Delinquent Investigations (TDI) notices issued.

3.13.12.22.1.1  
(01-01-2022)

**Form 1120 Delinquent Notices**

- (1) EO Entity will receive copies of Form 1120 Delinquent Notices from the Collection function, when the organization states they are filing an EO return in lieu of Form 1120.
- (2) If the organization is filing a Form 1120, 1120-C, 990-C, see IRM 3.13.2.
- (3) For all other EO returns:
  - a. Research EDS to see if an application is pending, or if exempt status was granted.
  - b. If exempt status has not been granted, delete the Form 1120 FRC and put the account in Status 40. Process the EO return as usual.
  - c. If exempt status was granted, update the account with TC 016, Doc. Code 80, Status 01, and the appropriate FRCs. Delete the Form 1120 FRC. Process the EO return as usual.
  - d. Input FRM49, TC 590 cc 075 on the MFT 02 for the tax period indicated on the notice.
  - e. Attach the notice to the back of the return. "X" out the notice.
  - f. If the EO Status on Master File is Status 41, 70–72, and there is no application pending on EDS, correspond with the organization, using letter 1224C or 3064C or other appropriate letter, requesting a determination letter, or inform them they must file a Form 1120. If the organization responds with a letter of determination, update the account accordingly. Input TC 591 cc 075 on the Form 1120 module, for the tax period on the notice. If the organization files Form 1120, process as usual. If no reply or insufficient response, see IRM 3.13.12.22.8.15 to continue processing.

3.13.12.22.1.2  
(01-01-2022)

**Form 1120-POL**

- (1) Political organizations, whether or not tax exempt, that have political organization taxable income in excess of the \$100 specific deduction in a taxable year must file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations. Form 1120-POL is due by the 15th day of the 4th month after the end of the organization's taxable year. Political organizations may request a 6-month extension of the filing deadline by filing Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns. This extension must be filed by the due date of Form 1120-POL. There is a penalty for failure to file Form 1120-POL.

3.13.12.22.1.3  
(01-01-2022)

**Forms 990/990-EZ/990-N**

- (1) Forms 990 or Forms 990-EZ are not taxable returns. The only assessment is for a Daily Delinquency Penalty when the return is filed late without reasonable cause.
- (2) Effective January 17, 2011 organizations with gross receipts of normally \$50,000 or less must file a Form 990–N (also called an e-Postcard) electronically in place of a Form 990 or Form 990-EZ.
- (3) An organization who normally files a Form 990 may not file for a specific tax period because they:
  - Were not required to file a Form 990 (e.g. 527 political organizations)
  - Ceased operations (terminated, dissolved, etc.)
  - Filed as part of group return.
  - Filed a Form 1120 (501(c)(12) and 501(c)(15) organizations only)

3.13.12.22.1.4  
(01-01-2022)  
**Form 990-C/1120-C**

- (1) See IRM 3.13.2.

3.13.12.22.1.5  
(01-01-2022)  
**Form 990-PF**

- (1) Form 990-PF is a taxable return and is required to be filed every year. Gross receipt limitation doesn't apply to Form 990-PF filers.
- (2) An organization who normally files a Form 990-PF may not file for a specific tax period because they:
- Ceased operations (terminated, dissolved, etc.).
  - Terminated under IRC 507(b)(1)(A).
- (3) An organization who has a presumptive Form 990-PF filing requirement may not file for a specific tax period or file a different return because they:
- Ceased operations (terminated, dissolved, etc.)
  - Received a determination letter dated after the expiration of the advance ruling period stating the organization isn't a private foundation
  - Received a letter dated after the expiration of the advance ruling period stating the organization is liable for Forms 990-PF for periods subsequent to the period shown on notice

3.13.12.22.1.6  
(01-01-2022)  
**Form 990-T**

- (1) Form 990-T is a taxable return and is required when the organization has unrelated trade or business gross income of \$1,000 or more.
- (2) An organization who normally files a Form 990-T may not file for a specific tax period because they:
- Ceased operations (terminated, dissolved, etc.)
  - Had gross income from unrelated trade or business of less than \$1,000

3.13.12.22.1.7  
(01-01-2022)  
**Form 5227**

- (1) Form 5227 is normally not a taxable return; however, it may be taxable if question G is answered "yes". A Form 4720 should be attached. Never detach the Form 4720 from the Form 5227 in these cases.
- (2) An organization who normally files a Form 5227 may not file for a specific tax period because they:
- Ceased operations (terminated, dissolved, etc.)
  - Filed a Form 990-PF under section 4947(a)(1)
  - Filed a Form 990 under section 509(a)(3)(A) – requires an IRS determination letter

3.13.12.22.1.8  
(01-01-2022)  
**TDI Notices**

- (1) Delinquent cases are placed on a TDI Notice File (TDINF) and each case is retained on the file until the module is satisfied (except Primary Code "B"). A Primary Code "B" (no TDI potential) is currently only issuing one notice. Primary Code A cases are currently being issued two notices. The TDI file is updated weekly with notice delays and satisfying transactions processed through the terminal during the week.
- (2) **Taxpayer Delinquent Returns Notices** and Taxpayer Delinquent Investigations (TDIs) are issued for TIF accounts on the following schedule during weekly analysis:



3.13.12.22.2  
(01-01-2022)

#### Glossary of Terms

- **CPs 259A - 259H** - First Notice. Issued when the account is established on the TIF

- (1) **Accounts Maintenance Transcripts** - Master File generates Accounts Maintenance Transcripts for resolution when a frozen or unresolved condition exists.
- (2) **Automated Collection System (ACS)** is an internal paperless system that maintains on computers most delinquent accounts and delinquency investigations formerly handled in paper form in the Area Office Collection function. ACS Call Sites will concentrate on telephone contact, particularly outgoing telephone calls.
- (3) **Credit Balance** - Denotes credit in module at time of delinquency check.
- (4) **Compatible Filing Requirements for EO-** IRM 3.13.12.8.3.3
- (5) **Critical Response** - A response is considered critical if a notice or Form TYD – 14, Taxpayer Delinquency Investigation (TDI), will be issued in the next cycle.
- (6) **Definer Codes** - IRM 3.13.12.6.3.
- (7) **EC-TDI-RES TRANSCRIPT** - An IDRS notification of unreversed TCs 594 and 599 generated weekly on Form 4869 for those EO tax modules posted 30 weeks earlier with TCs 594 or 599 on which no satisfying or reversing transaction code was input.
- (8) **EO/BMF Entity Module** - IRM 3.13.12.5.1.
- (9) **EO Entity Status Code** - IRM 3.13.12.6.18.
- (10) **EO Section of the BMF** - IRM 3.13.12.5.2.
- (11) **Form 3499 – EO Information Transmittal** - IRM 3.13.12.10.1.
- (12) **Group Rulings** - IRM 3.13.12.12.
- (13) **MFT** - Master File Tax Code

Form	MFT
990/990-EZ/990-N	67
990-PF	44
990-T	34
5227	37
1041-A	36
1120-POL	02

- (14) **Service Center Collection Branch (SCCB)** - resolves collection related items at the earliest possible time to prevent the issuance of area investigations. This is the collection area at the campus.



- (15) **Taxpayer Delinquency Investigation (TDI)** - If the organization fails to respond to the second notice (CPs 425-430)(obsolete January 2013), the account will go into TDI status.
- (16) **TDI Return** - Return received for the tax period on the delinquent Notice.
- (17) **TDI Indicator Code** - Indicates the taxpayer's current delinquency status. There is a status indicator in the entity module of the taxpayer's account and one in each tax module on IDRS.
- "0" indicates no delinquency investigation
  - "1" indicates an open delinquency investigation
- Note:** The tax period of an open tax module is printed on the TDI.
- "2" indicates closed delinquency investigation
  - "3" is reserved
  - "4" indicates first TDI notice was issued
  - "8" indicates closed TDI notice status
  - "9" indicates an account consolidation is in process
  - "T" indicates investigation was transferred out of the campus
  - "X" indicates TDI issuance action pending
  - "Y" indicates a merged account that was re-sequenced
- (18) **TDI Status Indicators**– Appear in the Status History Section of CC TXMOD when the MF Status is 02 or 03.

Indicator	Associated Status	Explanation
1	02	IDRS has sent 1st delinquency notice (CPs 259A - 259H)
4	02	2nd notice sent (CP 425-431) (obsolete January 2013)
5	03	IDRS in TDI status, issued with this module included on TDI (Form TYD-14)
6	03	IDRS TDI status, this module doesn't appear TYD-14 because a TYD-14 was previously issued for other modules
7	03	IDRS is TDI status - ACS TDI issued for this notice
8	03	IDRS in TDI status - Module resides in a queue to be ordered out individually or by RWMS score
9	03	TDI status to be issued for SCCB only

- (19) **Transaction Codes (TC)** - A three-digit number that defines the precise nature of the transaction on IDRS or Master File.
- (20) **MF and IDRS Status Codes** – Designates the current collection status of the module.

Status Code	Explanation
00	Module is established but return isn't filed
02	Return not posted; letter of inquiry mailed
03	IDRS in delinquency status
04	Extension of time for filing granted
05	7004 filed, underpaid installment notice sent (990-C/1120-C, 990-T, 1120 only)
06	Delinquent return not filed
10	Return is filed or assessed

3.13.12.22.3  
(01-01-2022)  
**Processing Timeliness  
of EO Delinquency  
Notices**

- (1) Control and perform initial processing on all cases **within 15 calendar days of the IRS received date.**
- (2) **Critical date** notice responses will require input action **prior to the weekend update** to prevent issuance of a subsequent notice. A response is considered critical if a notice of Form TYD-14, Taxpayer Delinquency Investigation (TDI), will be issued in the next cycle.
- (3) **Use the guidelines in IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates,** for timely processing for Collection-related work except for the specific instances listed above. In addition, use Adjustment controls for the IDRS status codes, definitions and aging criteria for all Collection related work done by Entity.

3.13.12.22.4  
(01-01-2022)  
**Command Codes**

- (1) **CC FRM49** is used to input transactions resulting from the analysis of taxpayer responses to CPs 259A - 259H and 425 - 431. These notice responses are used to input transaction codes 590-599 to update tax modules on the TIF. Transaction Codes 59X need closing codes (cc) except TC 592. See IRM 2.4, IDRS Terminal Input, for detailed explanation for input.
- (2) Refer to the table below for transaction and closing codes:

Responses	Transaction Code	Closing Code
Filed as a subordinate with Group Return. GEN must be present and Group Return EIN must be known	590	014
Not liable for return for this period only. Business has no employees or no activity at this time	590	075

Responses	Transaction Code	Closing Code
No longer required to file a return	591	075
Undeliverable notices	593	082
Return previously filed - input blocking series indicate "BB"	594	083
Examination referrals	595	082
Unprocessable returns	599	017
Taxable return secured. Coded final by Document Perfection	599	094
Taxable final return secured. Coded final by Document Perfection	599	094
Non-taxable return secured. Form 990, 990-EZ or 5227 only.	599	096
Non-taxable final return secured. Coded final by Document perfection	599	096

- (3) **CC TXMOD** is used to request a display of all tax module information for a specific tax period on the TIF. The display consists of entity data, posted returns, posted transactions, pending transactions, and reject data and is available on IDRS TIF. Transaction DLNs are shown if Command Code Definer D or L is input. For TXMOD a command code definer is required. Definer A will display most tax module information present on the TIF.

3.13.12.22.5  
(01-01-2022)  
**IDRS Controls**

- (1) Cases are controlled by various IDRS command codes.
- (2) An open control base will cause a tax module to remain on IDRS indefinitely. Once the IDRS control base is closed, it will be removed from the IDRS data base provided no other criteria exists for retaining the tax module.
- (3) If an open control already exists for another service employee, contact the other employee before taking any action.

**Caution:** If a control case is closed, contact isn't necessary. The exception to this concept is a case controlled with Status Code B (Background) which allows more than one examiner to have open case controls.

- (4) If more than one control is established for one TIN, it appears on the IDRS Multiple Case Control report. The report is produced weekly and should be distributed and processed.
- (5) The following control categories will be used for controlling EO Delinquency Notice cases by Entity:
- **ENTC** - Entity Change Case
  - **EXOR** - Exempt Organization
  - **OTHE** - Other Adjustments (no Form 3870); use for controlling all other adjustments
  - **TAS** - Taxpayer Advocate Service (campus initiated); use when controlling all initiated TAS cases
  - **STAT** - Statute Cases; use when controlling statute cases received in Entity
  - **TDI - Campus TDI Cases** - Use when controlling TC "594/599 Research Transcript" cases
  - **TDIA** (Definer Code A) - The following category code with appropriate definer will be used when controlling other return delinquency cases:

Type	Description
<b>TDIC</b>	Correspondence and insufficient responses
<b>TDID</b>	Taxpayer promised to file case
<b>TDIE</b>	Entity problem cases
<b>TDIF</b>	Fiscal year month problem case
<b>TDIH</b>	Credit
<b>TDIO</b>	Other: Use when controlling return delinquency notice responses and correspondence received and initial processing not completed
<b>TDIU</b>	Return Delinquency Unpostables

- **TPCI** - Taxpayer Correspondence Inquiry. Use when controlling taxpayer initiated correspondence.
- **TPRQ** - Taxpayer Requests. Use when controlling Forms 3870 Collection Adjustments for an EO account

3.13.12.22.6  
(01-01-2022)

#### Notices and Forms

- (1) The following are delinquency notices and forms:
- **CP 259A**, Request for Information about Form 990/990-EZ/990-N - first notice
  - **CP 259B**, Request for Information about Form 990-PF - first notice
  - **CP 259C**, Request for Information about Presumptive Form 990-PF - first notice
  - **CP 259D**, Request for Information about Form 990-T - first notice
  - **CP 259F**, Request for Information about Form 5227 - first notice
  - **CP 259G**, Request for Information about Form 1120-POL - first notice
  - **CP 259H**, Request for Information about 990/990-EZ Political Organization

3.13.12.22.7  
(01-01-2022)

**Batching Return  
Delinquency Responses**

- (1) Sort all incoming work by critical and noncritical dates. A response is considered critical if a notice or Form TYD–14, Taxpayer Delinquency Investigation (TDI), will be issued in the next cycle.

**Note:** Each response contains the cycle for which the next notice will be issued.

- (2) Also, batch as critical items the following:

- Notice Response received after the TDI (TYD–14) was issued
- Any response to a letter written from analysis of a notice response

3.13.12.22.8  
(01-01-2022)

**Processing of EO Return  
Delinquency Notice  
Responses**

- (1) EO Delinquency notices are printed and responses are processed at the Ogden Submission Processing Center.
- (2) Process and resolve responses to return delinquency notices.
- (3) Notice processing is done in two phases: analysis and research. Analyze a batch for a quick closures and annotate each notice that falls into this category with the transaction code needed. Control insufficient responses, entity problems, etc., that require contact and research for further action.
- (4) In the following instructions, the term “input” is used to sum up the coding, batching, and general preparation required prior to actual input to the system.
  - a. Examine the organization’s response.
  - b. Verify the response is for the same tax return and tax period as EO TDI notice.
  - c. If the response is for the same tax return and tax period, analyze the response to determine if sufficient information is available for input of a transaction code.
  - d. If the response refers to a tax return other than what is on the notice, and sufficient information is available to resolve the TDI issue, use the applicable procedures found in the following tridocs. If sufficient information isn’t available, treat as an insufficient response and process as such, per IRM 3.13.12.22.8.15, Insufficient Responses.
  - e. If the organization’s response furnishes proof with an attached copy of a balance due notice, and if information on this notice matches the EO TDI notice information (same name, TIN, tax period, MFT), destroy the notice. If a copy of a bill or notice furnished by the organization is for a different MFT or tax period, contact the organization via a phone call or correspondence. If the bill or notice is for a different name or TIN, process the case as an entity problem, per IRM 3.13.12.22.8.15.
  - f. If the organization submits proof of filing a Form 990-N, but it hasn’t posted to Master File and there is no information on EUP, no action is needed.
  - g. Destroy the notice after resolving the TDI account.

3.13.12.22.8.1  
(06-06-2022)

**Responses With Original  
Returns**

- (1) Compare the EIN, name and address on the notice with the EIN, name and address shown on the return. If different, process as an entity problem, per IRM 3.13.12.22.8.17. If the MFT and tax period don’t agree with the notice information, process as an insufficient response, per IRM 3.13.12.22.8.15.

Form	MFT
990/990-EZ/990-N	67
990-PF	44
990-T	34
5227	37
1120-POL	02

- (2) If everything agrees, process as follows:
- Annotate the notice with TC 599 cc 094 for Forms 990-C/1120-C, 1120-POL, 990-T and 990-PF or TC 599 cc 096 for Forms 990 and 5227 as appropriate. Input the appropriate TC and cc on IDRS for the MFT and tax period on the notice via CC FRM49. If a TC 599 cc 09X is already on the account, another TC and cc is not required to be input.
  - Write TC 599 cc 09X on the left side margin of the return. If necessary, edit any incorrect/missing entity information on the return from the notice before routing it for processing. If the received date isn't stamped on the return, transcribe it from the notice. The format of the received date is month (MM), day (DD), and year (YYYY); i.e., "Rec'd EC MMDDYYYY."
  - If the notice gives a reason why the return was late, attach the reasonable cause response to the tax return. Route the return for processing.
  - If the return isn't signed and the notice is, attach the notice to the return.

3.13.12.22.8.2  
(06-06-2022)

#### Responses With Copies of Original Returns

- Compare the EIN, name and address on the notice with the EIN, name and address on the return. If different, process as an entity problem per IRM 3.13.12.22.8.17. If the MFT or tax period are different, process the notice as an insufficient response per IRM 3.13.12.22.8.15.
- If the return has already posted with a TC 150, destroy the copy per local campus procedures.
- If the same return is found as a rejected or unpostable return, code the notice for input of TC 599 cc 017 for the MFT and tax period on the notice. **Don't input a TC 599 cc 017 on a return with a different MFT or tax period than the copy attached to the TDI.**
- If the organization responds with a copy of their return stating they have previously filed, make sure everything is correct and research for a TC 150 posting. If a posted or pending (PN) TC 150 is found, destroy the copy per local campus procedures. If no TC 150 has posted, input TC 594 cc 083 for either a taxable or non-taxable EO return; process the return as an original. If the taxpayer has written "copy" on the return, edit it out. If a TC 594 cc 083 is already on the account, another TC and cc is not required to be input.
- If necessary, edit any incorrect/missing information on the return from the notice before routing it for processing. If the received date isn't stamped on the return, transcribe it from the notice. The format of the received date is month (MM), day (DD), and year (YYYY); i.e., "Rec'd EC MMDDYYYY."
- If the return isn't signed and the notice is, attach the notice to the return.

3.13.12.22.8.3  
(01-01-2022)  
**Responses With No  
Return Attached**

- (7) If the organization responds with an amended return, send the return for processing. Destroy the notice per local campus procedures.
- (1) Compare the EIN on the notice with the EIN the organization says they filed under. If these agree, proceed as follows. If not, process per instructions in IRM 3.13.12.22.8.17.
- (2) If the organization states they filed the return, research for a pending or posted TC 150. If a posted or pending TC 150 is found, take no action. If one isn't found or attached, input a TC 594 cc 083 with a block indicator of "BB" with CC FRM49. See IRM 2.4.26.3 Command Code FRM49.

**Note:** With a block indicator of "BB", the BMF will generate a CP 169 along with the TDI Research transcript if the return doesn't post.

- (3) If the organization indicates the return will be filed, take no action.
- (4) If a return with the same MFT and tax period is found as a rejected or un-postable return, code the notice for input of TC 599 cc 017. **Don't input a TC 599 cc 017 on a return with a different MFT than the type of return indicated on the TDI.**
- (5) If an organization claims it was included in a group return or makes a similar statement, process per IRM 3.13.12.22.8.7 Responses Indicating Part of a Group Return.

3.13.12.22.8.4  
(01-01-2022)  
**Responses Indicating  
Not Required to File**

- (1) A notice response indicates a Form 990-PF filer isn't required to file:
- Under 507(b)(1)(A), a Form 990-PF filer that terminates by transferring all its net assets to an eligible IRC 501(c)(3) public charity must file a 990-PF for the year the transfer was made. Under Rev. Rul. 74-490, an organization terminating under IRC 507(b)(1)(A) surrenders its exempt status and must reapply to comply with IRC 508, if applicable.
  - If the Form 990-PF filer responds indicating they are not required to file under Section 507(b)(1)(A), input a TC 590 cc 075 and destroy the notice per local campus procedures.
- (2) If the delinquency notice is for a Form 990-T and the response indicates the unrelated business income was less than \$1,000 or the notice simply indicates "NO LIABILITY", input TC 590 cc 075. Destroy the notice per local campus procedures.

**Caution:** This procedure is only valid for Form 990-T.

- (3) If the response is for a Form 990, that indicates gross receipts were \$50,000 or less and the organization isn't a private foundation, send correspondence to the filer using appropriate letter to tell them all organizations regardless of gross receipts are required to file to maintain tax exempt status.

**Note:** Do not correspond for prior year returns.

- (4) Response states filer files a 990-N and notice is for a prior year and prior year cannot be filed on e-Postcard site. Destroy notice per local campus procedures. Don't send a letter stating they must file a Form 990 or 990-EZ.



- (5) If the response is for a Form 1120-POL, that indicates taxable income of less than \$100, input TC 590 cc 075. Destroy the notice per local campus procedures.
- (6) If a notice response clearly indicates the organization is defunct, terminated, or out of business, or indicates cessation rather than temporary suspension of the organizational activities, input TC 591 cc 075.
  - a. If the organization has an IRC 501(c)(3) exemption and a Form 990 FR, route a copy of the notice and any pertinent information to Cincinnati if total assets are greater than \$100,000. To determine if the end of year assets are greater than \$100,000, research CC BRTVU on the final return filed (R3 last line). If the gross receipts are less than \$100,000, destroy the notice per local campus procedures.
  - b. Follow procedures in (3) above if the organization indicates a "Temporary suspension of organizational activities" statement. This statement isn't an indicator to terminate tax exempt status via use of TC 591.
- (7) If an organization claims it was included in a group return or makes a similar statement, process per IRM 3.13.12.22.8.7 Responses Indicating Part of a Group Return.

## 3.13.12.22.8.5

(01-01-2022)

**Responses With  
Different Form of Return**

- (1) An organization states it filed another return (Form 1120, Form 1041). Use the list below to determine if another return may be filed in lieu of the return shown on the notice. For quick reference see below.
- (2) **If the MFT on the notice is 44** (Form 990-PF), proceed as follows:

If	Then
The BMF FRC is Form 990-PF of 2 and the EO Entity Status is 19,	The organization must file both a Form 1120 and a Form 990-PF for the same tax period.
The EO Entity Status is 18,	The organization must file both a Form 1041 and Form 990-PF for the same tax period.
The EO Entity Status is 19,	The organization must file both a Form 1120 and Form 990-PF for the same tax period.
The organization responded with a Form 990 and a copy of a 1050 IRS determination letter:	<ol style="list-style-type: none"> <li>a. Check the BMF to determine if the information from EDS has rolled to the BMF. If Master File was updated, input a TC 590 cc 075 to satisfy the Form 990-PF module.</li> <li>b. If EDS did not update the BMF, input a TC 016 Doc. Code 80 Definer Code A to correct the EO section.</li> <li>c. Send the Form 990 through for processing.</li> </ol>

- (3) **If the MFT on the notice is 67** (Form 990), proceed as follows:



If	Then
The Subsection Code is 12,	A Form 1120 or 1120-L may be filed in lieu of Form 990, when the gross income for the year is less than 85% from members (the organization may file Form 1120 one year and Form 990 the next).
The Subsection Code is 15,	A Form 1120-PC may be filed in lieu of Form 990 if the income for the year exceeds \$100,000 (the organization may file a Form 1120 one year and Form 990 the next).

- (4) **If the MFT on the notice is 37** (Form 5227), process as follows:

If	Then
The organization filed a Form 1041 instead of Form 5227,	Analyze the correspondence and the account to determine if it was incorrectly set up with a Form 5227 filing requirement; if so, input a TC 590 cc 075 to satisfy the TDI and remove the EO section with a TC 022.
The organization files a Form 990-PF as a 4947(a)(1) as a non-exempt charitable trust:	<p>a. Update the EO section with a TC 016 Doc. Code 80 Definer Code A; change the subsection to 92 and classification code 1. The EO Status Code will remain 12, zero out the Form 5227 FR and add a Form 990-PF FR.</p> <p>b. Send the Form 990-PF through for processing.</p>
The organization files a Form 990 with an IRS determination letter attached indicating exemption under 509(a)(3)(A):	<p>a. Update the EO section with a TC 016 Doc. Code 80 Definer Code A; change the subsection to 91 and classification code 1.</p> <p>b. The EO Status Code will remain 12 ; zero out the Form 5227 FR and add a Form 990 FR.</p> <p>c. Send the Form 990 through for processing.</p>
The organization will no longer be required to file a Form 5227,	Input a TC 591 cc 075 to update the EO Status Code to 20 and remove the filing requirement for the Master File.

- (5) If the subsection code on the BMF is 90, 91 or 92, **a Form 1041 can never be filed in lieu of Forms 990, 990-PF or 5227.**
- (6) If another return can be filed in lieu of the form on the notice, process as follows:
- Verify the return was filed
  - If the return was filed, input TC 590 cc 075 for the MFT on the notice

- c. If the return was not filed, contact the taxpayer for a copy of the return. Don't close out the MFT on the notice until you are sure the organization will file or has filed the other return.

(7) If another return is filed in lieu of the return on the notice, process as follows:

If	Then
Organization files a Form 990 return but the MFT on the notice is 44,	<p>a. Research EDS to determine if foundation follow-up ("F" case) was done by Cincinnati.</p> <p>b. If there is no "F" case on EDS and Cincinnati updated the filing requirement to Form 990-PF (CC BMFOLE), assume the organization was issued a 1048 letter (presumptive PF).</p> <p>c. Correspond with the organization informing them they filed the wrong return and send the return back to the organization instructing them to submit the correct return.</p> <p>d. If the foundation follow-up was done and EDS shows a 1050 letter (Form 990 filer) was sent, update Master File with the EDS EO section information for a Form 990 filer.</p> <p>e. If the foundation follow-up was done and EDS shows 1048 or 1075 letter (Form 990-PF) was sent <b>OR</b> if there is no case on EDS, correspond with the organization informing them they filed the wrong return and send the return back to the organization and tell them to file the correct return.</p> <p><b>Exception:</b> If the assets are \$0 or the organization gives some indication they are inactive on the Form 990, post the Form 990 and send the case to Cincinnati as a potential T case.</p>
Organization files a Form 990-PF but the MFT on the notice is 67,	a. Send the return back to the organization and notify them they are required to file a Form 990.
Organization files a Form 990-T,	<p>a. Determine the type of Form 990-T filer.</p> <p>b. Update the Form 990-T FR to 1 or 2 with a TC 016 Doc. Code 80 Definer Code A and send the return through for processing.</p>
Organization files a 4720,	Send the return through for processing.

3.13.12.22.8.6  
(01-01-2022)

**Responses Indicating  
Merger With Another  
Organization**

(1) **An organization states it merged** with another organization and filed accordingly:

- a. Input a TC 590 cc 075
- b. Input a TC 016 to update the EO Entity Status Code to 26
- c. Annotate the action taken, and route it to Cincinnati

**Note:** These instructions apply to Affiliation Code 3 or 6 mergers only.

3.13.12.22.8.7

(01-01-2022)

**Responses Indicating  
Part of a Group Return**

- (1) An organization claims it was included in a group return or makes a similar statement:
- a. If there is a GEN on the notice or the subordinate provides a GEN, research for the group return EIN.
  - b. If there is a posted return on the group return EIN, research CC BRTVU to determine if there is a group return code of 1 or 2. Group return code 1 indicates all of the subordinates are included in the return. Group code 2 indicates all of the subordinates are **not** included and a list of subordinates that are included should be attached to the return. If a list is attached to the return it can be viewed on SEIN.
  - c. If the group return code is 1 , input TC 590 cc 014 (on the account stated on the notice) to satisfy the module. If the group return code is 2, research SEIN to ensure the subordinate was included on the list of subordinates included in the group return. If the subordinate was included in the group return input a TC 590 cc 014. Ensure the FYM is correct. If the subordinate was not included in the group return take no action.
  - d. If there is a posted TC 460 on the group return EIN, input a TC 460 on the account stated on the notice.
  - e. If there is no TC 150, TC 460 TC 594 or TC 599 posted, pending, or unpostable, send letter 3064C requesting the subordinate provide us a copy of the group return.
  - f. If the subordinate didn't provide the GEN and you are unable to locate the GEN, treat as an insufficient response. Process per the instructions in IRM 3.13.12.22.8.15.
  - g. If the group return is found as a rejected or unpostable return, code the notice for the input of a TC 599 cc 014 for the MFT and tax period of the notice.

3.13.12.22.8.8

(01-01-2022)

**Responses Requesting a  
Form for Filing**

- (1) **If an organization requests a form for filing:** Send the taxpayer the appropriate letter informing them where they can obtain the requested form.

3.13.12.22.8.9

(01-01-2022)

**Responses Indicating  
Incorrect Accounting**

- (1) **If an organization indicates the accounting period (FYM) is incorrect, proceed as follows:**

**Note:** If the organization states they filed under a group return, see IRM 3.13.12.22.8.7 for further instructions. If returns were processed previously to the wrong FYM, update to the correct FYM.

- a. The organization must file a tax return every year (full 12 months). If the notice is for the full 12 months and the organization is giving a different FYM, determine if it is either for a past change or future change.
- b. Use CC TXMOD for MFT and look for UPC 307. If UPC 307 is found, input TC 599 cc 017.

**Note:** Don't forget the notice tax period must be satisfied if the return will not post to the MFT of the notice using TC 590 cc 075.

- c. If no UPC 307, use CC BMFOL for the MFT on the notice and proceed as follows:

If	Then
The organization is filing for the FYM as stated on the notice,	Input TC 590 cc 075 for the notice tax period and correct the BMF FYM if necessary.
The organization has not been filing for the FYM as stated on the notice, and now they do:	<ul style="list-style-type: none"> <li>a. The return becomes a short period return.</li> <li>b. Research the Form 1128 file to see if a Form 1128 is on file for the FYM the organization stated. If so, input TC 590 cc 075 for notice period. Correct the BMF FYM.</li> <li>c. If a Form 1128 isn't on file, contact the organization. If the organization replies they have conformed with IR regulation 1.442-1(c) or 1.1502-76(a) and the FYM is as they have stated, follow procedures above. If the organization replies they have conformed with Revenue Procedure 76-10 or 85-58 and the FYM is as stated, follow procedures above.</li> </ul>

3.13.12.22.8.10  
(01-01-2022)

**Responses Indicating  
Not Required to  
File-Church or Religious  
Organization**

- (1) **An organization states it is a church exempt** under IRC Section 6033(a)(3)(A)(i) or 170(b)(1)(A)(i):

- a. Research EDS and the BMF for the status code, or subsection, foundation code, classification code and Form 990 FR.
- b. If research shows the Status is 07 (church filing a Form 990-T) or 10 (pre-examination of a church), or the Subsection Code is 03 and Type of Foundation is 10 and the Classification Code is 7, update the Form 990 FRC to 06 (church, not required to file) if necessary and input TC 590 cc 075.
- c. If research show the Subsection Code is 03, Foundation Code of 10-15, Classification Code of 7 and Form 990 FR of 13 (religious organization, not required to file), update the filing requirement if necessary and input TC 590 cc 075.

**Note:** A ministry will have a Subsection of 03, Foundation Code of 15 or 16, Classification Code of 7 and a Form 990 FR of 01. Ministries are required to file a return.

- d. If the above doesn't apply or the EDS information can't be determined, treat the notice as an insufficient response and contact the organization to explain our records don't indicate it is a church. Request a return for the tax period on the notice. See IRM 3.13.12.22.8.15.

3.13.12.22.8.11  
(01-01-2022)

**Responses Indicating  
Exempt Under IRC  
Section 501(c)(1)**

- (1) **An organization states it is exempt under IRC** Section 501(c)(1), or they are an instrumentality of a state government or similar statement:

- a. Research for the subsection code.
- b. If the Subsection Code is 01, update the Form 990 FRC to 07 and input TC 590 cc 075.

- c. If the Subsection is 03, verify the instrumentality is a state government, input a TC 590 cc 075, and zero out the filing requirement.
- d. If you cannot verify it is a state governmental instrumentality, request a return for the tax period on the notice.

3.13.12.22.8.12  
(01-01-2022)  
**Responses With  
Different EO Return**

- (1) **A notice is for a particular EO return and the response indicates** another type of EO return(s) was filed that fully satisfies the filing requirement:
  - a. Research INOLE for the current filing requirements. If INOLE indicates a different FR from the notice, check for a pending or posted TC 150.
  - b. If a TC 150 is found, input a TC 590 cc 075 for the MFT on the notices.
  - c. If a TC 150 isn't found, treat as an insufficient response per IRM 3.13.12.22.8.15.

3.13.12.22.8.13  
(01-01-2022)  
**Responses Indicating  
No Liability to File**

- (1) **A notice response indicates an exempt organization ruling letter** was issued prior to 1969, and there is no liability to file:
  - a. Inform the organization under the 1969 Tax Reform Act, a return is due.
  - b. Don't input TC 590. Process as an insufficient response per IRM 3.13.12.22.8.15.

3.13.12.22.8.14  
(01-01-2022)  
**Miscellaneous  
Responses**

- (1) **If the notice is for a Form 990-PF** and the taxpayer responds it isn't a private foundation and is required to file Form 990 proceed as follows:
  - a. Research IDRS and EDS for the current subsection and type of foundation.
  - b. If research shows the BMF is now a SS 03 with a TF of 10-18, input a TC 590 cc 075 for the MFT on the notice.
  - c. If research shows EDS and BMF is still SS 03 with a TF of 03 or 04, send the return back to the organization and tell them our records show they are a private foundation and required to file a Form 990-PF.

**Note:** Specific information for processing determination letters is provided in IRM 3.12.278, Exempt Organization Unpostable Resolution.

  - d. If the organization responds to the TDI and requests a penalty abatement, research CC BMFOLI for the money amount or research CC TXMOD or CC SUMRY for a TC 238 and the money amount. If the TC 238 is found, look for an associated TC 235 for same amount on CC TXMODA or CC SUMRY. If the TC 235 is found, notify the organization the penalty was abated with a 3064C letter and destroy notice per local procedures. If no TC 235 forward the case to EO Accounts.
- (2) **This isn't an all inclusive list of responses.** Some judgment will be needed to determine the proper action and if necessary, contact with organization should be made.
- (3) **If the organization can substantiate a valid extension**, and there's no TC 460 on Master File, input a TC 460.

3.13.12.22.8.15  
(01-01-2022)  
**Insufficient Responses**

- (1) If the organization's response is insufficient, determine if correspondence or telephone contact could result in additional information to resolve the issue.

- (2) **Attempt to reach the organization by telephone** whenever possible. If the organization cannot be reached by telephone and it appears additional information could result in the input of a closing transaction code or a return:

- a. Initiate correspondence using the appropriate letter.

- (3) If an organization claims it was included in a group return or makes a similar statement, process per instructions in IRM 3.13.12.22.8.7.

3.13.12.22.8.16  
(01-01-2022)

#### Third Party Responses

- (1) If a third party indicates the organization has moved, but doesn't specify the exact address, process as an undelivered response.
- (2) If a third party indicates the organization has moved and provides a current address, research the CAF file using CC CFINK. If a proper authorization isn't found, send letter 135C to the unauthorized third party address. Don't update the address.
- (3) If a third party with proper authorization found on CAF indicates the organization has moved, and provides a current address:
  - a. Update the address with a TC 014.
- (4) If a third party indicates a change in the person (or persons) who handles the account, treat as an insufficient response.

3.13.12.22.8.17  
(01-01-2022)

#### Responses Indicating EIN Change or Entity Problems

- (1) If the organization indicates it is filing under a different EIN, process per instructions in IRM 3.13.12.11.
- (2) If the organization indicates a name change, process per instructions in IRM 3.13.12.6.2.2.
- (3) If the organization indicates a c/o name, sort name or location address change, input CC ENREQ/BNCHG with Doc. Code 63.
- (4) Input any address change on the notice, including foreign address, with CC ENREQ/BNCHG.

3.13.12.22.8.18  
(01-01-2022)

#### Credit Balance

- (1) Whenever there is a credit balance on a notice, and a return for the tax period shown on the notice will not be filed, the credits must be moved before the notice can be closed. Otherwise, an Account Maintenance transcript will be generated.
  - a. If the credits have already been moved no action is necessary.
  - b. If there is a requirement to move credits, forward the request to EO Accounts, M/S 6552. Attach BMFOLI, TXMOD showing credit.
- (2) If (1) above doesn't apply, proceed as follows.
  - a. Request all payment posting documents to verify the credit belongs to the organization. Accept a TC 716 as verified.
  - b. If you have verified the credit and there is an outstanding balance on a module, prepare Form 3465 and forward the request to EO Accounts, M/S 6552 to have the credit moved.
  - c. If you have verified the credit and there are no outstanding balances on other modules, contact the organization. If possible, telephone before writing. Letter 112C can be used.



- d. If the response reveals the organization wishes the credit refunded, inform the organization a signed return must be filed within 3 years from the due date to get a refund of prepaid tax or refundable credits. If the amount of credit was adjusted to settle a debit balance(s), notify the organization a refund will be issued based on the liability return, unless other taxes are owed.
- e. If the organizations response indicates disposition of credit, take the necessary action to dispose of the credit. If another TIN is involved, research and resolve the entity problem, if applicable, prior to transfer of credit.
- f. If the letter is undeliverable, the organization's response is inconclusive, or if there is no response within 30 days, transfer the credit from the Master File to Excess Collections on a Form 8758. When transferring a credit to Excess Collections (6800 account), payments must be over 1 year old. Prepare Form 8758 for each credit being transferred. Complete Form 8758 in accordance with procedures in IRM 3.17.220.
- g. If a late reply is received from the organization indicating the disposition of the credit, take the necessary action to transfer the credit from the Excess Collection to the appropriate module using Form 8765. Refer to IRM 3.17.220 for detail procedures in completing Form 8765.

3.13.12.22.9  
(01-01-2022)  
**2050 Letters**

- (1) A 2050 letter is sent to the exempt organization by Automated Collections (ACS). Any 2050 letter received by the campus will be worked in EO Entity using the EO TDI instructions.

3.13.12.22.10  
(01-01-2022)  
**EC TDI Res Transcripts**

- (1) If a TC 150, 590, 591, 593, 595, 597, 599, 610, 914 or 976 has not posted after 20 cycles, to a module with a posted TC 594 or 599, a transcript is generated of all tax modules for the immediate preceding 12 months which match the MFT.
- (2) EO Entity will receive a transcript titled EC-TDI-RES. This is a complete transcript and will include BMF information used for research.
- (3) A CP 169 will be generated if TC 594 was input with Blocking Series indicator BB. See IRM 2.4, IDRS Terminal Input for input of Blocking Series. The notice will be sent directly to the organization. Also a TDI case control card and transcripts for all tax modules with the same MFT will be generated if the tax period is within 13 months prior to the tax period of the TC 594 or 599.
- (4) **Processing TDI Research transcripts.** Any EC-TDI-RES Transcript with the TC 59X Closing Code of 25-89 must be routed to SCCB or if the BMF tax module status was in 03 at any time.
  - a. Research for a TC 150 already posted. If the TC 150 posted, destroy the case.
  - b. If IDRS shows the TC 150 is in reject or unpostable status, destroy the transcript.
  - c. Research IDRS CC ENMOD to determine if correspondence was initiated by Document Perfection (Code & Edit, Rejects, Unpostables). If IDRS letters 2696C-2699C were issued any time within 60 days of the current date for the tax period shown on the transcript, destroy the transcript.
  - d. Review the entity filing requirements and EO Status:

If	Then
The filing requirement was removed,	Input TC 590 cc 075 and destroy the transcript.
The Status is 20, 21, 26, 28, 40 or 41,	Input TC 590 cc 075 and destroy the transcript.
The EO Section was removed,	Input TC 590 cc 075 and destroy the transcript.

- e. Review the tax module for a return posted to a different tax period, but for the same tax year (same tax year is tax periods 9512-9611). If it appears the return has posted for a different tax year month than on the transcript, input a TC 590 cc 075 and destroy the transcript. Also, be sure the FYM on the BMF is correct for the return posted.

f. **Research CC NAMEE for another EIN:**

If	Then
Another EIN is found:	<p>a. Process per consolidation instructions in IRM 3.13.12.7.</p> <p>b. Input TC 590 cc 075 and destroy the transcript.</p>
Another EIN isn't found,	Continue with (5) below.

- g. Research unpostable with CC UPTIN. If the TC 150 is unpostable, resolve the case accordingly.
- h. When research fails to resolve the EC-TDI-RES transcript, correspond with letter 145C or 3064C.

(5) After 45 days process as follows:

- a. If a copy of the return is attached, route the return for processing.
- b. If the original notice was coded incorrectly, input the correct transaction code.

**Note:** If a 145C or 3064C letter has already been sent, give case to the tax examiner who sent the original suspense letter to wait for resolution.

- (6) If the organization fails to respond or correspondence is inconclusive, input TC 592. Route the case to SCCB, Mail Stop 5500.
- (7) Refer to the table below when processing notice responses for unreversed TCs 594 and TC 599 Transcripts.

**Note:** This table is used along with any related text.



Action	Destroy Transcript	TC 590-075	Consolidate 590-075	Correspond	Route SC CB	Input TC 592
TC 150 Posted	X					
TC 150 in reject or unp status	X					
2696C or 2699C sent for TXPD in the last 60 days	X					
Filing Req. removed		X				
990-06 FR Form 990 only		X				
Status 20-26 28 40 41		X				
FYM is incorrect		X				
Another EIN found			X			
TC 594-083				X		
TC 599 cc 025-073					X	
Unable to resolve					X	X

3.13.12.23  
(01-01-2022)

#### **LATDEP-FED Transcripts**

- (1) These transcripts will generate on accounts with Employment Code F and the FTDs (TC 650/660) are attempting to post.
- (2) Research Master File to determine if a TC 150 has posted for Form 941 (MFT 01) for the amount listed on the transcript. If so, close the account and no further research is necessary.
- (3) If no TC 150 is present, research the entity module to find a better EIN. If a better EIN is found, send the information to EO Accounts Management and instruct them to move the credits to the appropriate module.
- (4) If no TC 150 is present and no better EIN can be found, discard the transcript.

