



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

7.20.1

MARCH 1, 2022

EFFECTIVE DATE

(03-01-2022)

PURPOSE

- (1) This transmits revised IRM 7.20.1, Exempt Organizations Determination Letter Program, Exempt Organizations Determination Letter Overview.

MATERIAL CHANGES

- (1) Updated procedures, modifying the guidance as listed below:

Section	Modification
7.20.1.1.1	Updated procedures for submitting Form 1023, 1023-EZ, 1024-A and 1024 electronically.
7.20.1.1.5	Updated commonly used abbreviations.
7.20.1.2	Updated procedures to include contacting EODQA for review of cases.
7.20.1.4.1(3)	Updated procedures for responding to taxpayer inquiries regarding closed cases.
7.20.1.4.3	Updated procedures for responding to congressional inquiries.
7.20.1.4.4	Added procedures for EOTCT.
7.20.1.5	Updated procedures for contacting the taxpayer.
7.20.1.5.1.1	Updated contact procedures.
7.20.1.5.1.1.2	Updated procedures for sending forms to the CAF.
7.20.1.5.1.1.3	Updated frequently encountered Form 2848 issues.
7.20.1.6.1	Updated procedures for reporting an unauthorized disclosure.
7.20.1.7	Defined third-part contact.

- (2) Incorporated Interim Guidance Memorandum TEGE-07-0920-0022, EO/GE Congressional Correspondence.
- (3) Incorporated Interim Guidance Memorandum TEGE-07-0121-0001, Interim Guidance on Processing Electronically Submitted Form 1024-A.

- (4) Incorporated Interim Guidance Memorandum TEGE-07-0122-0005, Interim Guidance on Processing Electronically Submitted Form 1023.
- (5) Incorporated Interim Guidance Memorandum TEGE-07-0821-0016, Interim Guidance on Updated Procedures Relating to Direct Contact.
- (6) Incorporated Interim Guidance Memorandum TEGE-07-0122-0003, Interim Guidance on Processing Electronically Submitted Form 1024.
- (7) Edited the document for plain language, as required per the *Plain Writing Act of 2010*.
- (8) Made editorial changes throughout.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 7.20.1 dated September 19, 2019.

This revision incorporates the following Interim Guidance (IG) Memoranda:

TEGE-07-0920-0022, EO/GE Congressional Correspondence,
TEGE-07-0121-0001, Interim Guidance on Processing Electronically Submitted Form 1024-A,
TEGE-07-0120-0002, Interim Guidance on Processing Electronically Submitted Form 1023,
TEGE-07-0821-0016, Interim Guidance on Updated Procedures Relating to Direct Contact and
TEGE-07-0122-0003, Interim Guidance on Processing Electronically Submitted Form 1024.

AUDIENCE

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7.20.1

Exempt Organizations Determination Letter Overview

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7.20.1.1
(03-01-2022)
Overview

- (1) **Purpose:** This IRM describes general information for processing Exempt Organizations (EO) determination letter requests including:
 - Types of determination requests
 - Referrals
 - Taxpayer contacts
 - Congressional inquiries
 - Authorized persons
 - Authorized representatives or appointed designees - Form 2848 and Form 8821
 - Disclosure/third-party contacts
- (2) **Audience:** The procedures in this manual apply to all EO employees processing determination letter requests.
- (3) **Policy Owner:** Director, Exempt Organizations, Rulings and Agreements
- (4) **Program Owner:** Exempt Organizations
- (5) Other IRMs related to processing EO determination letter requests include:
 - a. IRM 7.21, Exempt Organizations Determinations Processing
 - b. IRM 7.22, Exempt Organizations Determinations Automation Systems
 - c. IRM 7.28, Exempt Organizations Disclosure Procedures

7.20.1.1.1
(03-01-2022)
Background

- (1) EO includes two primary operational areas: Rulings and Agreements and Examinations.
- (2) EO Rulings and Agreements (R&A) is responsible for issuing determination letters on exempt status, private foundation classification, and other determinations related to exempt organizations. EO R&A processes determination letters on applications for recognition of tax-exempt status under IRC 501 and IRC 521 and certain other requests. EO Determinations, a section of EO R&A, issues determination letters on exempt organization matters (see Rev. Proc. 2022-5, updated annually).
- (3) Form 1023, 1023-EZ, 1024-A and 1024 applications for tax-exempt status must be submitted through Pay.gov.
- (4) Form 1028, Form 8940, and other letter applications are submitted to the Cincinnati Accounts Management Campus Support (Campus Support).
- (5) Campus Support processes the user fee payment in the Letter Information Network and User Fee System (LINUS) and scans the application/request into the Modified EO-EP Determination System (MEDS). Information from Pay.gov is transmitted to MEDS. MEDS transmits the information to the Employee Plans/Exempt Organizations Determination System (EDS).
- (6) Campus Support sends open hard copy case files to an IRS facility in Ogden, UT.
- (7) Cases are generally processed electronically in MEDS. See IRM 7.22.4, Modified EO-EP Determination System (MEDS) User Manual, for specific instructions on using MEDS.

7.20.1.1.2
(03-01-2022)
Authority

- (1) Rev. Proc. 2022-5, updated annually, sets forth procedures for issuing determination letters on issues under the jurisdiction of the Director, EO Rulings and Agreements. It explains the procedures for issuing determination letters on exempt status in response to applications for recognition of exemption from federal income tax under Section 501 or 521 (other than those subject to Rev. Proc. 2022-4, updated annually), private foundation classification, and other determinations related to exempt organizations. Rev. Proc. 2022-5 also provides guidance on the exhaustion of administrative remedies for purposes of declaratory judgment under IRC 7428 and guidance on applicable user fees for requesting determination letters.

7.20.1.1.3
(03-01-2022)
Responsibilities

- (1) EO Determinations is primarily responsible for issuing determination letters on matters described in Rev. Proc. 2022-5, including:
- Initial qualification for or reinstatement of exempt status of organizations under IRC 501 and IRC 521, including requests from exempt organizations seeking exemption under alternate subsections and relief under 26 CFR 301.9100-1 in connection with applications for exemption
 - Group ruling requests
 - Initial classification of foundation status under IRC 509(a)
 - Foundation classification changes, including voluntary requests for private foundation status under IRC 509(a), operating foundation status under IRC 4942(j)(3), and exempt operating foundation status under IRC 4940(d)
 - Recognition of unusual grants to certain organizations under IRC 170(b)(1)(A)(vi) and IRC 509(a)(2)
 - Termination of private foundation status under IRC 507(b)(1)(B)
 - Requests for determination of type for an IRC 509(a)(3) supporting organization, including whether or not a Type III supporting organization is functionally integrated
 - Advance approval of certain set-asides described in IRC 4942(g)(2)
 - Advance approval of individual grant making procedures described in IRC 4945(g)
 - Advance approval of voter registration activities described in IRC 4945(f)
 - Requests for exception from filing annual information returns
 - Foundation status determination under IRC 509(a)(3) of non-exempt charitable trusts described in IRC 4947(a)(1)
 - Voluntary termination of IRC 501(c)(3) by a government entity
- (2) A determination letter is a written statement the EO Determinations office issues to an organization that applies previously announced principles and precedents to a specific set of facts on matters described in Rev. Proc. 2022-5 (updated annually). EO Determinations only issues a determination letter when they can make a determination based on either:
- a. Clearly established rules in the statute, a tax treaty, or the regulations.
 - b. A conclusion in a revenue ruling, opinion, or court decision published in the Internal Revenue Bulletin that specifically answers the questions presented.
- (3) The Correspondence Unit issues affirmation letters to reflect name and/or address changes or to replace a lost determination letter.

7.20.1.1.4
(09-19-2019)

Program Controls

- (1) EO Determinations Quality Assurance (EODQA) reviews determination cases to ensure:
- Technical accuracy
 - Adherence to written procedures
 - Uniform and impartial treatment of exempt organizations' interests while protecting the government's interest
 - Identification of unfavorable case patterns, trends affecting processing quality, problem areas, unique issues, and new or novel techniques that EOD specialists develop

7.20.1.1.5
(03-01-2022)

Common Abbreviations

- (1) Commonly used abbreviations include:

Abbreviation	Name
CAF	Centralized Authorization File
CCR	Case Chronology Record
EDS	EP/EO Determination System
EIN	Employer Identification Number
EO	Exempt Organizations
EOD	Exempt Organizations Determinations
EODQA	Exempt Organizations Determinations Quality Assurance
EOTCT	EO Technical Correspondence Team
ESCO	Executive Secretariat Correspondence Office
IRC	Internal Revenue Code
LA	Legislative Affairs
LBI	Large Business & International
LTA	Local Taxpayer Advocate
MEDS	Modified EO-EP Determination System, previously known as TEDS
OAR	Operations Assistance Request
POA	Power of Attorney
R&A	Rulings & Agreements
SBSE	Small Business Self Employed
TAM	Technical Advice Memorandum
TE/GE	Tax Exempt and Government Entities

Abbreviation	Name
WI	Wage and Investment

7.20.1.2
(03-01-2022)

Technical Support

- (1) You may request help on a technical issue for a specific determination letter request or a general issue you identify during case processing.
- (2) You may request informal technical assistance from EODQA (see IRM 7.20.5, Review Procedures for EO Determinations). Discuss the request with your manager before contacting EODQA.
- (3) You may request formal technical advice on a specific case from the Office of Chief Counsel (technical advice memorandum (TAM)).
 - a. See Rev. Proc. 2022-5 (updated annually) for the circumstances under which you may request a TAM.
 - b. See Rev. Proc. 2022-2 (updated annually) for TAM request procedures.
 - c. Submit the request to your manager for his/her review followed by an Area Manager review.
 - d. The EO R&A Director signs the TAM request.

Note: A taxpayer may also request a TAM on its case.

- (4) You may request informal case-specific assistance from TEGE Division Counsel. Call or email the designated Area Counsel attorney.
- (5) You may request informal technical assistance from TE/GE Knowledge Management. Submit your question to the relevant Knowledge Network on the TE/GE Knowledge Management site.

7.20.1.3
(03-01-2022)

Referrals

- (1) Prepare a referral when an organization:
 - a. Likely has past taxes and/or penalties due.
 - b. Has potential future activities that may jeopardize exemption (but you don't have sufficient cause to deny exemption).
- (2) Prepare a referral when you want to refer the case to another IRS function (for example, SBSE, WI, LBI, etc.) on issues such as:
 - a. Questionable charitable deductions
 - b. Loans to disqualified persons
 - c. Significant non-liquid assets
 - d. Valuation issues
- (3) Prepare a referral at case closing (if needed). However, in situations where the statute for assessing tax is in jeopardy of expiring, prepare and submit the referral immediately when you identify the potential for taxes and/or penalties due.
- (4) To prepare a referral:
 - a. Complete Form 5666, TE/GE Referral Information Report, for **all** referrals, following instructions attached to the form. Explain in detail why you're referring the organization with the pertinent facts in Item O.

- b. Email the form to your manager for digital signature. Import the signed copy into the Non-Disclosable folder of the MEDS case file.
- c. Download relevant information from the case file and save it as a PDF.
- d. Email the signed Form 5666 and relevant information from the case file to TE/GE Compliance, Planning and Classification at eoclass@irs.gov.

7.20.1.4
(03-01-2022)
Taxpayer Inquiries

- (1) You may receive taxpayer inquiries (for example, telephone calls or written correspondence) on cases not assigned to you.
- (2) Apply all disclosure rules for taxpayer inquiries (see IRM 7.20.1.6).

7.20.1.4.1
(03-01-2022)
Telephone Inquiries

- (1) Try to answer a caller's concerns and questions.
Note: If you don't know the answer, refer the caller to IRS Tax Exempt and Government Entities Customer Account Services at 877-829-5500.

- (2) Use this table to handle taxpayer telephone inquiries on **open** cases:

If the taxpayer asks about a case	Then direct the taxpayer to the
Assigned to a specialist	Specialist assigned to the case.
In unassigned group inventory	Group manager.
That was referred to EODQA or Appeals	Explain to the taxpayer that the case is being reviewed in EODQA or Appeals. If the taxpayer requires more information, contact EODQA.

- (3) Use this table to handle taxpayer telephone inquiries on **closed** cases:

If the taxpayer asks about	Then
A determination letter	Answer the taxpayer's concern, if possible. If they want a copy of their determination letter, refer them to <i>Tax Exempt Organization Search</i> . If their letter is not available on TEOS, get appropriate information from the taxpayer (name, address, EIN, phone number, etc.), complete a Reprinting-Affirming EDS Letter Request (located on SharePoint), and email it to the Correspondence Unit.

If the taxpayer asks about	Then
Case status	Get the taxpayer's employer identification number (EIN) and check EDS for the status, or refer the caller to Customer Account Services at 877-829-5500.
Obtaining a tax-exempt number	Tell the taxpayer we don't issue tax-exempt numbers. We issue determination letters (which includes the organization's EIN).
Confusion about EIN and sales tax exemption number	Tell the taxpayer the EIN is the only number the IRS issues and that he/she must go through the state or local government to obtain a sales tax exemption number (if applicable).
Changes in activities, purposes, method of operation, etc.	Instruct the taxpayer to either: <ul style="list-style-type: none"> • Attach information with any supporting documentation to its annual return if it's required to file Form 990 or Form 990-EZ • Visit www.irs.gov/charities for more information.
A correction to a determination letter	Tell the taxpayer to mail or fax a written request to the Correspondence Unit (fax 855-204-6184).
Information on completing tax or information returns	Refer the caller to Customer Account Services at 877-829-5500 or www.irs.gov/charities .
A case closed Failure to Establish	Tell the taxpayer the organization needs to send either: <ul style="list-style-type: none"> • A new request and applicable user fee (because the case was closed due to the organization's failure to respond to IRS-requested information). • Supporting documentation if they think the case was closed in error. <p>If the organization needs further help, refer the caller to Customer Account Services at 877-829-5500.</p>
General information on other general tax exempt issues	Refer the caller to Customer Account Services at 877-829-5500 or www.irs.gov/charities .

Note: Don't attempt to "work" a closed case.

Note: Be sure to follow the disclosure rules for taxpayer telephone inquiries.

7.20.1.4.2
(09-19-2019)
Written Inquiries

- (1) Associate written inquiries for open determination cases with the open case file.
- (2) Forward written inquiries on closed cases to the EO R&A Processing & Support Section, Correspondence Unit.

Exception: If the inquiry is on a case closed as failure to establish, review it to consider whether the case was closed in error.

7.20.1.4.3
(03-01-2022)
Congressional Inquiries

- (1) Congressional and Legislative Affairs (LA) inquiries are handled by the EO Technical Correspondence Team (EOTCT). EOTCT is comprised of specially trained EO R&A employees. EOTCT's procedures are consistent with guidance in IRM 1.10.1 and IRM 11.5.2. See IRM 7.20.1.4.4 for EOTCT overview and responsibilities.
- (2) If a non-EOTCT R&A employee receives a call or correspondence directly from a congressional office or LA the employee should not respond directly to the inquiry. Rather, the employee should email the information from the call or scan the correspondence and forward to **TE/GE-EO-Congressionals* which is managed by EOTCT.

Note: Provide information to EOTCT employees if they send you a request for information.

- (3) After receiving the congressional inquiry from an R&A employee, the EOTCT will either:
 - a. Communicate with the appropriate Congressional District Liaison;
 - b. Coordinate with EO R&A Processing & Support Section; or
 - c. Add and assign it in e-Trak for the EOTCT to work.

Note: Tax account inquiries (such as a name or address change, trouble understanding a notice) should be forwarded to the Taxpayer Advocate Service (TAS).

Note: A designated EO TAS Liaison responds to an inquiry submitted by an Local Taxpayer Advocate (LTA) as an Operations Assistance Request (see IRM 13.1.8.3, Assignment and Routing, and IRM 7.20.2.5.3, Operations Assistance Request (OAR)).

- (4) Once an inquiry is assigned in e-Trak, the EOTCT will:
 - a. Prepare the response letter for the appropriate executive's signature.

Note: Inquiries related to policies and regulations of Exempt Organizations will be signed by the Director, EO, or his/her designee.
 - b. Coordinate with EO Examinations or Government Entities (GE) on inquiries related to their functions prior to responding.
 - c. Oversee e-Trak inventory.

- d. Follow up on requests with the appropriate function (for example, IRS Congressional District Liaison, Executive Secretariat Correspondence Office (ESCO), EO Examinations, Entity, Government Entities, EO R&A Processing & Support Section, etc.).
- e. Provide status updates in e-Trak, as appropriate.
- f. Generate reports using the current e-Trak inventory report for the monthly EO Functional Review, including total number of cases received, closed, and open, with a summary highlight of any sensitive cases.

7.20.1.4.4
(03-01-2022)

**EO Technical
Correspondence Team
(EOTCT) Overview and
Responsibilities**

(1) EOTCT Members coordinate actions with the following sections of the IRM:

- IRM 1.10.1, IRM Correspondence Manual
- IRM 11.3.4, Congressional Inquiries
- IRM 11.3.9, Exempt Organizations
- IRM 11.5.2, Congressional Affairs Program
- IRM 11.5.2.4.5, TEGE - Exempt Organizations

(2) The EOTCT writer:

- a. Reviews the incoming correspondence request and privacy release.
- b. Performs research to resolve inquiry (for example, IDRS, EDS, MEDS, Tax Exempt Organization Search, etc.).
- c. Contacts coordinating departments (for example, EO Entity and EO Processing) for additional information or action, as necessary.
- d. Drafts the letter response.
- e. Contacts the TEGE e-Trak coordinator for extension requests on ESCO-controlled correspondence, as necessary.

(3) The EOTCT reviewer:

- a. Reviews the incoming correspondence, the research performed, and the draft letter response of the writer and provide feedback.
- b. Assists each writer with drafting letter responses and reviewing incoming correspondence requests.
- c. Trains new writers.
- d. Ensures completeness of the case before closure after the EOTCT manager approves each final response letter.

(4) The EOTCT manager:

- a. Receives case notifications from e-Trak.
- b. Receives notification of correspondence forwarded to the **TE/GE-EO-Congressionals* mailbox that originated from the EO Director's office or from R&A.
- c. Reviews incoming correspondence before assignment to determine if case is appropriate for EOTCT. If it's not, redirect, as appropriate.
- d. Assigns case to writer by sending an email to both writer and administrative clerk, which includes an issue summary for the clerk to input on the congressional shared drive.
- e. Serves as a Point of Contact (POC) to TEGE Headquarters for technical issue questions.
- f. Reviews each completed final draft letter response and approve the final draft for sending.
- g. Ensures e-Trak is updated with all actions taken by the administrative clerk.

- h. Reconciles case inventory on a monthly basis and report Functional Review inventory data to the area manager.

(5) The EOTCT administrative clerk:

- a. Receives case assignments from the EOTCT manager.
- b. Creates a case folder with incoming correspondence in the congressional shared drive timely.
- c. Establishes and inputs new case(s) that are received from other sources in e-Trak.
- d. Notates e-Trak with case assignment and case closure actions taken.
- e. Performs case closing actions in e-Trak and on the congressional shared drive.
- f. Mails response.
- g. Maintains the records on the congressional shared drive.

(6) EOTCT monitors the TE/GE EO Congressional mailbox. The mailbox is where congressional and technical correspondence addressed to the EO Director is forwarded from internal sources, such as LA Governmental Liaisons, EO Processing, or EO employees. The individual assigned to monitor the mailbox:

- a. Checks the **TE/GE-EO-Congressionals* mailbox daily.
- b. Reviews the incoming request.

Note: If correspondence originates from outside of LA (for example, EO Director's office) coordinate actions and response with EOTCT manager.

- c. Performs any required research. Ensure taxpayer authorization (for example, privacy release) is present and complete inquiries requiring account-specific responses for congressional offices.
- d. Prepares response. If necessary, prepare a draft response and send to EOTCT manager for review and approval.
- e. Emails approved response to requestor with a carbon copy (cc) to the **TE/GE-EO-Congressionals* mailbox.
- f. Performs records management of mailbox content.
- g. Keeps track of the number of incoming requests.

7.20.1.4.5
(09-19-2019)

Inquiries from Media Relations, Commissioner's Office, or Other Non-Taxpayers

- (1) For inquiries from Media Relations, the Commissioner's Office, or other non-taxpayers, discuss the steps to take with your manager.

7.20.1.5
(03-01-2022)
Authorized Persons

- (1) For exempt organization matters, an authorized person is any person legally authorized to act for the organization.

Example: A *bona fide* officer, trustee, or other official authorized to sign for the organization.

(2) You must make sure that a determination request:

- a. Is signed by an authorized individual.
- b. Includes a written declaration that the request is made under the penalties of perjury (IRC 6065).

- (3) The signature on the request is considered *prima facie* evidence that the individual is authorized to sign it. However, if you have other evidence that indicates the person isn't authorized to sign, secure an authorized signature and title.
- (4) If an organization does not submit a Form 2848 with its application for recognition of tax-exempt status or during case processing, contact the primary contact person listed on the application to discuss issues or items in the application, to follow-up on a letter (for example, Letter 1312 or Letter 5228), and to otherwise discuss determinations such as for a potentially adverse case (in other words, for all telephone inquiries) as currently described in IRM 7.20.1.6.
- (5) Be careful not to make unauthorized disclosures of confidential information when you process a determination request.
 - a. Review documents such as bylaws or articles of incorporation to identify persons the organization authorized to receive confidential information.
 - b. Make sure a person listed as an executive director is an authorized person before you disclose any confidential information to him/her.
 - c. Ask sufficient questions to establish the identity and position of the person if you request additional information from the applicant by phone.
 - d. Verify the power of attorney form or authorization is valid before contacting a designated representative.
 - e. See these IRM sections for guidance:
 - IRM 7.20.1.6, Disclosure
 - IRM 11.3, Disclosure of Official Information
 - IRM 11.3.2.4.3, Corporations
 - IRM 11.3.2.4.6, Tax Exempt Organizations
 - IRM 11.3.2.4.8, Trusts

7.20.1.5.1
(03-01-2022)

**Authorized
Representatives and
Appointed Designees -
Form 2848 and Form
8821**

- (1) Form 2848, Power of Attorney and Declaration of Representative, authorizes an individual(s) to:
 - Act as Power of Attorney (POA) for an organization
 - Receive tax information, notices, and other communications on behalf of an organization
 - Represent the organization before the IRS
- (2) Form 8821, Tax Information Authorization, designates an appointee (individual, corporation, firm, etc.) to receive tax information, notices, and other written communications on behalf of an organization but doesn't authorize the appointee to represent the organization before the IRS.
- (3) An authorized representative or appointed designee only receives copies of written communications if the organization checks the appropriate box on Form 2848 or Form 8821.
- (4) See these guidelines on completing the forms, other Form 2848/Form 8821 information, and third-party authorizations:
 - IRM 21.3.7.5.1, Essential Elements for Form 2848 and Form 8821
 - 26 CFR 601.504, Requirements for filing power of attorney
 - Circular No. 230, Regulations Governing Practice before the Internal Revenue Service

7.20.1.5.1.1
(03-01-2022)
Form 2848

- (1) A valid Form 2848 is properly executed and signed by an officer of the organization and the authorized representative.

Note: See the Instructions for Form 2848 for more information about signatory authority.

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

Note: If the MEDS “Valid POA indicator” is “F” (False) or not checked, the 2848 information won’t transmit to EDS. Ensure the indicator is marked “T” if there is a valid Form 2848.

- (3) Compare the MEDS POA T/F (True/False) indicators to Form 2848 validity.
- (4) If the Form 2848 is invalid, follow procedures in IRM 7.20.1.5.1.3.
- (5) If an organization submits a valid Form 2848 with its application for recognition of exemption of tax-exempt status or during case processing, specialists will contact an authorized representative listed on Form 2848 to discuss issues or items in the application, to follow up on letters sent (for example, Letter 1312 and Letter 5228), and to otherwise discuss determinations such as for a potentially adverse case (in other words, for all telephone inquiries), except as listed below. In the situations listed below, a specialist could contact the primary contact person listed on the application as currently described in IRM 7.20.1.6.
 - a. If Specialist cannot make contact with the authorized representative on Form 2848 within 5 business days of the initial attempt to contact the authorized representative. The specialist should confirm the authorized representative, the authorized representative’s contact information and preferences for future communication.
 - b. If the organization’s primary contact, board member, officer, or other authorized person contacts the specialist directly, the specialist will discuss the application with that individual and confirm preferences for future contact.
- (6) Send copies of correspondence and determination letters to representatives authorized to receive notices and communications but don’t send copies to more than two representatives.

Note: Verify whether the correspondence box is checked on the form before you send copies of correspondence.

- (7) Include a sentence in your letter to the organization informing it we sent a copy of the letter to its power of attorney.
- (8) Use Letter 937-A to send a copy of the letter to the authorized representative.
- (9) See IRM 7.20.1.5.1.1.1 and Rev. Proc. 2014-42, modified by Notice 2020-18 for calendar year 2020, for special rules for Form 2848 and unenrolled preparers.

7.20.1.5.1.1.1
(03-01-2022)

**Form 2848 and
Unenrolled Preparers**

- (1) Unenrolled preparers can't submit Form 2848 to represent an organization for an EO determination letter request because this category, ("h" on Form 2848) isn't authorized to represent an organization before the IRS on determination letters or rulings.

Note: Also, enrolled actuaries (category "g") aren't eligible to represent an organization on issues under IRC 501(c) or (d) or IRC 521.

- (2) If an organization submits Form 2848 for an unenrolled preparer, the organization may instead file Form 8821 to designate the unenrolled preparer to receive copies of the letters.

7.20.1.5.1.1.2
(03-01-2022)

**Centralized
Authorization File (CAF)**

- (1) The Centralized Authorization File (CAF) maintains an electronic record of authorization information for most federal tax matters. CAF doesn't maintain electronic records of authorizations for EO Determinations cases but does contain electronic records of authorizations for Forms 990, 990-PF, 990-T, 941, 940, and other returns.

- (2) If a Form 2848 is valid and lists Form 990, 990-PF, 990-T, 941, 940, or other returns:

- a. E-fax Form 2848 to 855-214-7522
- b. Notate the case chronology record (CCR) that you forwarded Form 2848 to the CAF, and
- c. Forward the form as soon as you identify it needs to go to the CAF.

- (3) See IRM 21.3.7, Processing Third-Party Authorizations onto the Centralized Authorization File (CAF), for more information.

7.20.1.5.1.1.3
(03-01-2022)

**Form 2848, Frequently
Encountered Situations**

- (1) Use this table for common issues/questions about a Form 2848's validity:

Form 2848 Issue	Response
It names a law firm as the authorized representative.	<p>Don't accept the form because the representative must list specific names and addresses of people authorized to represent the organization.</p> <p>Note: Form 8821 may name a firm if the power is limited to receiving information and doesn't claim to authorize the firm as an advocate.</p>

Form 2848 Issue	Response
It lists two organizations as the taxpayer, and only one authorized person from one of the organizations signed it.	Don't accept the form unless an authorized person of each organization signs it. Exception: You can accept the form if only one organization requests a determination and that organization's authorized person signed it.
It lists more than one representative but not all of them signed it.	Accept the form for the representatives who properly completed Part II, Declaration of Representative.
It doesn't specify the kind of tax or the tax period but does indicate it applies to a request for a determination of a particular date.	Accept the form if the particular date is consistent with the date on the determination request.
It states that it is for all years or all periods, "Not Applicable," or "N/A."	Don't accept the form unless the years and periods column lists the specific tax matter to which the form relates in Item 3 (for example, representation on Form 1023).
The authorized representative modifies it to specify the kind of tax and the years.	Don't accept the form because the representative altered it after the organization signed it.
It specifies the kind of tax and period but adds "any and all matters coming before the IRS."	Don't accept the form because each tax matter constitutes a separate tax issue and requires a separate Form 2848.
An individual, who isn't authorized to sign for the organization, signs Form 2848.	Don't accept the form unless it's signed by an individual with authority to act for the organization.

Form 2848 Issue	Response
The authorized representative on file submits a substituted power of attorney naming another representative.	An authorized representative who has a power of attorney may substitute another individual if the original Form 2848 authorizes it by checking the appropriate box in Line 5a. The originally named representative may sign the delegation or substitution on behalf of the organization attaching a copy of the original Form 2848 authorizing him or her to designate another representative.
The form is properly executed, but the organization doesn't mark the check box permitting the IRS to send copies of all notices and communications to the representative(s).	Accept the form, but don't send the representative copies of notices and communications.
It's a mechanically reproduced or faxed copy.	Accept the reproduced or faxed copy. A photographic or xero-graphic copy doesn't need to be certified as a true and correct copy of the original. Note: The signatures on the form can't be stamped.

7.20.1.5.1.2
(03-01-2022)
Form 8821

- (1) Form 8821 must be properly executed and signed by an officer, trustee, or other official authorized to sign for the organization.
 - a. Don't enter appointees designated on Form 8821 in MEDS; if already entered, delete the information.
 - b. Send a designated appointee an exact copy of correspondence (including a determination letter) that you send to an organization if Form 8821 is properly executed and block 5a is checked using Letter 937-A.
 - c. Unenrolled preparers can be designated appointees on Form 8821. See IRM 7.20.1.5.1.1.1.

7.20.1.5.1.2.1
(03-01-2022)
**Form 8821, Frequently
Encountered Situations**

- (1) Use this table for common issues/questions about a Form 8821's validity:

Form 8821 Issue	Response
It doesn't specify the kind of tax or the tax period, but indicates it applies to a request for a determination of a particular date.	Accept the form if the particular date is consistent with the date on the determination request.

Form 8821 Issue	Response
It states that it is for all years or all periods.	<p>Don't accept the form because it can't be open-ended.</p> <p>Note: Form 8821 may specify "not applicable" in the years and periods column if it lists the specific tax matter to which the form relates in Item 3(d) (for example, Form 1023).</p>
If it's properly executed, may I discuss the case with the designated appointee?	Form 8821 doesn't authorize the appointee to speak for/on behalf of the organization. However, it does authorize any individual, corporation, firm, organization, or partnership the organization designates to inspect and/or receive its confidential information verbally or in writing for the type of tax and the years or periods listed on the form.
If the organization failed to check the 'Check if to send copies on notices and communications' box line 2 under the designee's name and address, may I mail the appointee copies of correspondence on the case?	No. If that box in Line 2 isn't checked, don't send copies of correspondence to the appointee.
An individual who isn't authorized to sign for the organization signs Form 8821.	Don't accept the Form 8821 unless an individual with authority to act for the organization signs it.
It's a mechanically reproduced or faxed copy.	<p>Accept the reproduced or faxed copy. A copy doesn't need to be certified as a true and correct copy of the original.</p> <p>Note: The signature on the form can't be stamped.</p>
It names a law firm as the designated appointee.	It may name a firm if the authorization is limited to receiving information and doesn't purport to authorize the firm as an advocate.

7.20.1.5.1.3
(03-01-2022)
**Invalid Form 2848/Form
8821 Authorization**

- (1) Information from an invalid Form 2848 or Form 8821 is input into MEDS but doesn't transmit to EDS if the MEDS Valid POA indicator is "F" (False) or not checked.
- (2) If you identify an invalid Form 2848, make sure the MEDS Valid POA indicator is correctly listed as "F" (False). If the organization doesn't perfect the Form 2848 before you close the case, delete the POA information from MEDS when preparing the determination letter.
- (3) If Form 2848 or Form 8821 authorization is invalid:

If	Then
You send an additional information request	Explain why the form is invalid with your additional information request (see Streamline pre-written questions). Don't send a copy of the additional information letter to the person(s) designated on an invalid Form 2848 or Form 8821.
You don't need any information to approve the case	Prepare the determination letter for the organization. Don't send a copy of the determination letter to the person(s) designated on an invalid Form 2848 or Form 8821.

7.20.1.6
(03-01-2022)
Disclosure

- (1) Improper or unauthorized disclosure is revealing taxpayer information to unauthorized individuals.
- (2) Discuss unauthorized disclosures with your manager, complete Form 11377, Taxpayer Data Access, to report the disclosure to TIGTA, and report the disclosure to TIGTA.
- (3) When working cases, be very cautious not to reveal case information to unauthorized individuals.
 - a. Discuss issues or items in the application only with officers or other authorized organization officials or individuals designated on a valid Form 2848 or other valid power of attorney.
 - b. You can discuss issues or items in the application with the primary contact listed in the determination request (for example, on page 1 of Form 1023, Form 1024, or Form 1024-A), even if the contact person isn't an officer, trustee, or other authorized representative. However, don't use information from that individual to make a determination.

Reminder: An executive director may or may not be an authorized person with respect to an organization.
 - c. Secure Form 2848 for a contact person (if not listed as an officer or other authorized organizational official) on a potentially adverse case or request to speak with an officer or board member of the organization.

Note: Generally, don't indicate a potential adverse position to the applicant until you have sufficient facts that support an adverse determination.

- (4) See IRM 10.5.1.6.7.2, Answering Machines or Voice Mail, for guidance on leaving taxpayers'/representatives' confidential information on their answering machines/voice mails.
- (5) After you approve an application (or any request subject to public inspection under IRC 6104), it's not considered an unauthorized disclosure to reveal any initial or subsequent information the applicant submitted during the application process.

Note: See 26 CFR 301.6104(a)-5 for IRC 6104 disclosure exceptions.

- (6) Find the list of Disclosure offices at *Disclosure Basics and Contacts*. Before calling, discuss potential disclosure issues with your manager.

7.20.1.6.1
(03-01-2022)
Reporting Unauthorized Disclosures

- (1) You must report all unauthorized disclosures of tax information or Privacy Act information. An unauthorized disclosure occurs when an IRS employee discloses tax or Privacy Act information to someone who is not authorized to receive that information. See the Disclosure and Privacy Knowledge Base Site at *Report Losses, Thefts or Disclosures* for more information on unauthorized disclosures.
- (2) See IRM 11.3.1.7, Reporting Unauthorized Access or Disclosures, for reporting procedures.

7.20.1.7
(03-01-2022)
Third-Party Contacts

- (1) Third-party contacts are defined in Treas. Reg. Section 301.7602-2 as a communication which:
 - a. Is initiated by an IRS employee
 - b. Is made to a person other than the taxpayer
 - c. Is made with respect to the determination or collection of a tax liability of such taxpayer
 - d. Discloses the taxpayer's identity, and
 - e. Discloses the association of the IRS employee with the IRS.

Note: Third-Party Contacts are not common in EO Determinations work.

- (2) IRC 7602(c) states that there are certain third-party contacts that are excepted from the notice and recording requirements. These are outlined in Treas. Reg. Section 301.7602-2(f) and IRM 25.27.1.2(2). Generally, IRS makes a third-party contact when it contacts a person other than the taxpayer with respect to the determination or collection of that taxpayer's federal tax liability, such as when it issues a levy or summons to someone other than the taxpayer.
- (3) See IRM 25.27.1.2, Third-Party Contact (TPC) Definition, IRM 25.27.1.3, Notification Requirements, for procedures and other information on third-party contacts.
- (4) Organizations may authorize third-party contacts by completing Form 12180, Third Party Contact Authorization Form.

- (5) Discuss third-party contacts with your manager.
- (6) Unsolicited information or referrals from third parties during your processing a determination case aren't third-party contacts for the purposes of IRM 25.27.1.
 - a. Evaluate any referrals you receive and use the information to develop the determination case.
 - b. Keep the referral with the non-disclosable documents in the case file.

Caution: Don't contact a third-party about submitted unsolicited information or referrals without discussing it with your manager as such contact may result in a third-party contact.