



**Department of the Treasury  
Internal Revenue Service**

P.O. Box 2508, Room 4106  
Cincinnati, OH 45201

**Date:**

**Employer ID number:**

**Person to contact:**

Employee ID number:

Tel:

Fax:

Dear

The IRS has instituted an optional expedited process for certain organizations applying for recognition of exemption under Section 501(c)(4). Organizations can make representations to the IRS under penalties of perjury regarding their past, current, and future activities and receive a determination letter based on those representations.

If you choose to apply for this expedited process, complete and return pages 3-4, *Representations and Specific Instructions*. We will send you a favorable determination letter within 1 month of receipt of the signed representation.

Determination letters issued under the optional process will be based on the representations of the organization and may not be relied upon if the organization's activities are different from what is represented to the IRS. The representations are subject to verification on audit. Organizations that don't make the representations will have their applications reviewed based on the legal standards applied to all the facts and circumstances.

If you make the representations required for eligibility under this optional process and want to participate, please follow the instructions set forth at the end of this letter, *Optional Expedited Process for Certain Exemption Applications Under Section 501(c)(4)*. Send the signed representations within 45 days from the date of this letter to the address below:

Internal Revenue Service  
P.O. Box 2508, Room 4106  
Cincinnati, OH 45201

You can send the information by fax to \_\_\_\_\_  
your filing. Do not send an additional copy by mail.

. Your fax signature becomes a permanent part of

If you have questions, you can contact the person whose name and telephone number are listed at the top of this letter.

Thank you for your cooperation.

Sincerely,

## **Optional Expedited Process for Certain Exemption Applications Under Section 501(c)(4)**

In the interest of effective and efficient tax administration and to assist in the transparent and consistent review of applications for tax-exempt status under Section 501(c)(4), the IRS is offering an optional expedited process for certain organizations that have submitted 501(c)(4) applications. This optional expedited process is currently available only to applicants for 501(c)(4) status whose applications indicate the organization could potentially be engaged in political campaign intervention or providing private benefit to a political party and that otherwise do not present any issues with regard to exempt status.

In this optional process, an organization will represent that it satisfies, and will continue to satisfy, set percentages with respect to the level of its social welfare activities and political campaign intervention activities (as defined in the specific instructions on pages 4-5). These percentage representations are not an interpretation of law but are a safe harbor for those organizations that choose to participate in the optional process.

Under this optional expedited process, an applicant will be presumed to be primarily engaged in activities that promote social welfare based on certain additional representations (on pages 3-4) made by the organization regarding its past, present, and future activities. Like the Form 1024 exemption application itself, these representations are signed on behalf of the organization under penalties of perjury. The IRS will send applicants that provide the representations a favorable determination letter within 1 month of receipt of the signed representations.

Importantly, this is an optional process. The standards and thresholds reflected in the representations are criteria for eligibility for expedited processing rather than new legal requirements. No inference will be drawn from an organization's choice not to participate. An organization that declines to make the representations will have its application reviewed under the regular process in which the IRS looks to all facts and circumstances to determine whether an organization primarily engages in activities that promote social welfare.

Like all organizations receiving a favorable determination of exempt status, organizations participating in this optional expedited process may be subject to examination by the IRS and the organization's exempt status may be revoked if, and as of the tax year in which, the facts and circumstances indicate exempt status is no longer warranted. An organization that receives a determination letter under this expedited process may rely on its determination letter as long as its activities are consistent with its application for exemption and the representations, the applicable legal standards have not changed, and the determination letter is not revoked. The determination letter will expressly indicate that the letter was based on the representations. An organization may no longer rely on the determination letter issued under this optional expedited process as of the tax year in which its activities (including the amount of expenditures incurred or time spent on particular activities) cease to be consistent with its application for exemption and any of the representations. If the organization determines that it continues to be described in Section 501(c)(4), notwithstanding the fact that its activities are no longer consistent with the representations below, it may continue to take the position that it is described in Section 501(c)(4) and file Form 990, *Return of Organization Exempt From Income Tax*, but it must notify the IRS about such representations ceasing to be correct on Schedule O, *Supplemental Information*, of the Form 990.

## Representations and Specific Instructions

1. During each past tax year of the organization, during the current tax year, and during each future tax year in which the organization intends to rely on a determination letter issued under the optional expedited process, the organization has spent and anticipates that it will spend 60% or more of *both* the organization's total expenditures *and* its total time (measured by employee and volunteer hours) on activities that promote social welfare (within the meaning of Section 501(c)(4) and the regulations thereunder).
2. During each past tax year of the organization, during the current tax year, and during each future tax year in which the organization intends to rely on a determination letter issued under the optional expedited process, the organization has spent and anticipates that it will spend 40% or less of both the organization's total expenditures and its total time (measured by employee and volunteer hours) on direct or indirect participation or intervention in any political campaign on behalf of (or in opposition to) any candidate for public office (within the meaning of the regulations under Section 501(c)(4)).

### Specific instructions

For purposes of these representations, "total expenditures" include administrative, overhead, and other general expenditures. An organization may allocate those expenditures among its activities using any reasonable method.

For purposes of these representations, activities that promote social welfare do not include any expenditure incurred or time spent by the organization on:

- Any activity that benefits select individuals or organizations (including a political party) rather than the community as a whole;
- Direct or indirect participation or intervention in any political campaign on behalf of (or in opposition to) any candidate for public office;
- Operating a social club for the benefit, pleasure, or recreation of the organization's members; and
- Carrying on a business with the general public in a manner similar to organizations operated for profit.

For purposes of these representations, direct or indirect participation or intervention in any political campaign on behalf of (or in opposition to) any candidate for public office ("candidate") includes any expenditure incurred or time spent by the organization on:

- Any written (printed or electronic) or oral statement supporting (or opposing) the election or nomination of a candidate;
- Financial or other support provided to (or the solicitation of such support on behalf of) any candidate, political party, political committee, or Section 527 organization;
- Conducting a voter registration drive that selects potential voters to assist on the basis of their preference for a particular candidate or party;
- Conducting a "get-out-the-vote" drive that selects potential voters to assist on the basis of their preference for a particular candidate or (in the case of general elections) a particular party;
- Distributing material prepared by a candidate, political party, political committee, or Section 527 organization; and
- Preparing and distributing a voter guide that rates favorably or unfavorably one or more candidates.

In addition, *solely* for purposes of determining an organization’s eligibility under this optional expedited process, direct or indirect participation or intervention in any political campaign on behalf of (or in opposition to) any candidate includes any expenditure incurred or time spent by the organization on:

- Any public communication within 60 days prior to a general election or 30 days prior to a primary election<sup>1</sup> that identifies a candidate in the election. For this purpose, “public communication” means a communication by means of any broadcast, cable, or satellite communication; newspaper, magazine, or other periodical (excluding any periodical distributed only to the organization’s dues paying members); outdoor advertising facility, mass mailing, or telephone bank to the general public; and communications placed for a fee on another person’s Internet website;
- Conducting an event at which only one candidate is, or (in case of a general election) candidates of only one party are, invited to speak; and
- Any grant to an organization described in Section 501(c) if the recipient of the grant engages in political campaign intervention.<sup>2</sup>

Although other activities may constitute direct or indirect participation or intervention in a political campaign (see Revenue Ruling 2007-41 for examples of factors to consider), representations may be based on the specific activities described in these instructions.

*Under penalties of perjury, I declare that I am authorized to sign these representations on behalf of the above organizations, and that to the best of my knowledge and belief, the facts stated in the representations are true, correct, and complete.*

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Signature of officer, director, trustee or other authorized official      Date

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Title and printed name

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Organization name and Employer Identification Number

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<sup>1</sup> For purposes of these representations, the term “general election” includes a special or runoff election for the office sought by the candidate, and the term “primary election” includes a convention or caucus of a political party that has authority to nominate a candidate for the office sought.

<sup>2</sup> An organization may rely on a representation from an authorized officer of the recipient if the organization does not know whether the recipient engages in any political campaign intervention and may assume that a Section 501(c)(3) organization does not engage in political campaign intervention.