

INTERIM IRM PROCEDURAL UPDATE

DATE: 11/21/2012

NUMBER: WI-21-1112-1843

SUBJECT: Various Updates

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

CHANGE(s):

IRM 21.3.8.5.1.3.2(1)(c) - Added a procedure for cases in status 75 and assigned to specialist number 31848, Group 7848, Unassigned Records Unit.

Not assigned on EDS/TEDS (status 34/38/39/41/50/51/56/58/60/61/62/63/64/75/91)

NOTE: This includes cases in status 52/53/32 with determination specialist number 50250.

EXCEPTION: See below for cases assigned in the Intermediate Processing program (71), for cases in status 52, status 62 or status 72 with determination specialist number 31101 or 31748, for cases in status 62 assigned to a specific determination specialist, and for cases in status 75 with specialist number 31848, Group 7848, Unassigned Records Unit.

IRM 21.3.8.5.1.3.3(1)(c) - Added a Reminder to the unassigned cases to look for the last letter created to determine whether an application is on- or off-cycle; deleted status 03 and status 05 from the closed cases because there is a separate row in the table discussing those statuses; added a procedure for calls from unauthorized parties about cases in status 03 or 05.

5. Control the Form 4442 to the TEGE Correspondence Unit (office code 31) and give it to your manager, who will route it to the TEGE Correspondence Unit (fax 513-263-4330).

REMINDER: Research EDS for the last letter created. **If the last letter created is Letter 2693**, then the application is in line to be worked, i.e., on-cycle. (This field on EDS shows the older acknowledgement letter that EP Determinations no longer uses. However, any new letters created through EDS will appear in this field.) **If the last letter created is Letter 1940**, then the application has been determined to be an off-cycle case. When it has been determined that a case is off-cycle, Letter 1940 is always sent out to the plan sponsor and to the POA, if applicable, telling them this information. Direct callers

with questions to the person whose name appears on the letter. If they have not received the letter and it has been more than two weeks since the status date, prepare a Form 4442 referral to the Correspondence Unit to have the letter resent.

IRM 21.3.8.5.2.4(1) - Added a Note about never providing the telephone number of the employee named on Letter 1042.

Do not refer the caller to the determination specialist that closed the case before attempting to provide assistance.

NOTE: DO NOT provide the telephone number of the employee named on Letter 1042 (status 03 closures); see Step 6 below.

IRM 21.3.8.11.1.1.1 - Clarified in (3) that the 90-day period starts with the closed (status 03) date and added instructions to the Note about what to tell the caller who asks where to mail the requested information; added a Note to (9) about never providing the telephone number of the employee named on Letter 1042.

3. The organization has 90 days from the closed (status 03) date to respond with a complete application or it must reapply and pay another user fee. As this is not considered an FTE, no extension is granted to the organization.

NOTE: The organization must return the entire application, all attachments, and the requested missing information in order for EO to continue processing the application. If the caller asks where to mail the information, tell the caller that the letter should include a paragraph instructing the applicant where to send the requested information.

IRM 21.3.8.12.5.5(4) - New paragraph explaining that a central organization must submit a new group ruling request if it wants to change the subsection under which its subordinates are exempt, including a Reminder that the subordinates must be described by the same subsection but that this may be a different subsection from that of the central organization.

3. If a central organization wants to change the subsection under which all of its subordinate organizations are exempt, it must submit a new group ruling request, including all required documentation and the appropriate user fee.

REMINDER: All subordinate organizations included in a group exemption must be described by the same IRC subsection, but they do not have to be under the same subsection as the central organization.

IRM 21.3.8.12.6.1(5) - Clarified that the effective date of revocation is the submission/filing due date of the third year's return and added a cross-reference to IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements."

- If the caller asks about filing a taxable return, explain that the requirement begins with the effective date of revocation, i.e., the submission/filing due date of the third year's return. See IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements," for additional information.

IRM 21.3.8.12.10(1) - Added the values for 2013 and converted the information into a table.

	The fair market value of the benefits received does not exceed the lesser of	OR	The payment is at least	AND	The only items provided bear the organization's name or log	AND	The cost of these items is within the applicable year's limits for "low-cost articles"	Reference
2011	\$97 or 2 percent of the payment	OR	\$48.50	AND	The only items provided bear the organization's name or logo	AND	\$9.70 or less	Rev. Proc. 2010-40 2010-46 IRB 663
2012	\$99 or 2 percent of the payment	OR	\$49.50	AND	The only items provided bear the organization's name or logo	AND	\$9.90 or less	Rev Proc. 2011-52 2011-45 IRB 701
2013	\$102 or 2 percent of the payment	OR	\$51	AND	The only items provided bear the organization's name or log	AND	\$10.20 or less	Rev. Proc. 2012-41

NOTE: These values are subject to annual adjustments.

IRM 21.3.8.12.13(4) - Added a Note about preparing a Form 4442 referral to the lead if an eligible organization does not appear in the online EOMF and it was more than four weeks between the date IDRS was updated and the date the online EOMF file was updated.

1. Do not refer a customer directly to Headquarters employees for issues relating to the online EOMF and/or Pub 78 data under any circumstances.

NOTE: Prepare a Form 4442 referral to your lead to be forwarded to the HQ analyst if an organization should be listed in the online EOMF and is not, i.e., there has been at least four weeks between the relevant IDRS update and the most recent update to the online EOMF. Before preparing a referral, check to see when the online EOMF file was last updated and compare it to the date IDRS was last updated to show the organization as eligible to appear in the online EOMF. If it was less than four weeks between the IDRS update and the online EOMF update, apologize to the caller and explain that the organization should appear in the next update. **DO NOT PREPARE A FORM 4442 REFERRAL TO YOUR LEAD.**

IRM 21.3.8.12.24(8) - Replaced the second sentence with a cross-reference to IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements."

8. If an organization fails to submit the annual electronic notice (Form 990-N) or fails to file Form 990, Form 990-EZ, or Form 990-PF for three consecutive years, its tax-exempt status is revoked as of the submission/filing due date of the third year. See IRM 21.3.8.3.8.1, "Compliance with EO Filing Requirements," for additional details.

IRM 21.3.8.12.24.4(1) - Added a requirement to document the call thoroughly on AMS if the organization is at risk of losing its exemption.

If	Then
You need to prepare an EO Submodule Data Sheet AND , based on the establishment date on IDRS, the organization is at risk of losing its exemption	<ul style="list-style-type: none"> ○ Take the EO submodule information as normal. ○ Take the Form 990-N information and tell the caller that the IRS will submit the Form 990-N when our system has been updated to accept it. <p>Document the call thoroughly on AMS, including all actions taken and/or promised.</p>

Exhibit 21.3.8-10 - Revised the list of EP letters per the information in Exhibit 1 from IRM 7.13.5, *Employee Plans Automated Processing Procedures - Letter Generation*.

Letter	Description
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Number	
835 (DO/CG)	Favorable letter (general) and explanations (GUST)
1012 (DO/CG)	Incomplete letter NOTE: This letter is not open to public inspection under IRC section 6104.
1013 (DO/CG)	Grossly incomplete letter NOTE: This letter is not open to public inspection under IRC section 6104.
1014 (DO/CG)	EGTRRA incomplete letter NOTE: This letter is not open to public inspection under IRC section 6104.
1015 (DO/CG)	Letter for returning incomplete EP applications with user fee refund NOTE: This letter is not open to public inspection under IRC section 6104.
1132 (DO/CG)	Favorable termination letter and explanations
1196 (DO/CG)	First request for additional information
1197 (DO/CG)	Ten-day letter
1399 (DO/CG)	Technical advice request notice to taxpayer
1520 (DO/CG)	Determination letter for a group trust arrangement, Form 5316 (formerly Form 9999 on EDS)
1724 (DO/CG)	Final adverse—no appeal requested
1755 (DO/CG)	Proposed adverse letter
1924 (DO/CG)	Area Office not authorized to rule (letter to return the application)
1935 (DO/CG)	Interested party transmittal
1936 (DO/CG)	Response to interested party
1938 (DO/CG)	Suspense letter
1940 (DO/CG)	EGTRRA off-cycle suspense letter

1955 (DO/CG)	Second and subsequent request for additional information
2002 (DO/CG)	EGTRRA favorable determination letter and explanations
2044 (DO/CG)	Withdrawal letter (adopted plan)
2045 (DO/CG)	Off-cycle withdrawal letter
2052 (DO/CG)	Final adverse after technical advice
2232 (DO/CG)	Favorable for plan/adverse for IRC section 401(k)
2234 (DO/CG)	Letter for returning substantially deficient plans
2337 (DO/CG)	Letter granting extension of time to submit information (user fees)
2927 (DO/CG)	Dishonored user fee check letter
3335 (DO/CG)	Case assignment letter
3577 (DO/CG)	Quality Assurance staff assignment letter
4577 (DO/CG)	Favorable letter on TEDS autoclosed cases — no caveat dates listed
Form 2706	Acknowledgement of filing Form 5310-A

Exhibit 21.3.8-11 - Added Letter 3336C, *EP Acknowledgement Letter*, added a Note to Letter 3734C explaining that it was used only for 2007 and prior revisions; added Letter 4399C, *Revised Form 990/990-EZ Correspondence Issue (2008 & Subsequent)*.

3336C	EP Acknowledgement Letter
3734C	Form 990/990-EZ Correspondence Issues NOTE: This letter is used for 2007 and prior years. See Letter 4399C for 2008 and subsequent years.