

Recycling A Prior Exemption Application

Sometimes an organization applying for tax exempt status will have access to a previously prepared exemption application. (In particular, this may be true for organizations that have lost tax exempt status through IRS Automatic Revocation.) Here are some pointers for groups using an earlier exemption application as a starting point.

Check the date on your old application form. The IRS is currently using a Form 1023 dated December, 2013. If your old 501(c)(3) application used that form or one of the two just prior to it, dated October, 2004 or June, 2006, you're in luck. Recycling your earlier application may be easier because the IRS is still using virtually the same form that was used for your original application.

If your original exemption application was filed fairly recently, the IRS probably has it on microfilm. To request a copy, file Form 4506-A, Request for Public Inspection or Copy of Exempt or Political Organization IRS Form (here are the instructions). Non-commercial requesters do not have to pay a fee for the first 100 pages of records. (I have had mixed experience with this type of request; the IRS has sometimes been prompt and thorough, sometimes otherwise.)

I do not recommend simply using the same completed Form 1023 over again. At the very least, you will want to update the lists of board members, employees and independent contractors in Part V, and prepare new financial statements. Update statistics in your original application that relate to the issues your organization was formed to address, or that relate to your organization itself (examples: # of high school dropouts, % of elderly who experience a certain problem, # of visitors to the park, hours of volunteer help). Swap in more recent examples of your newsletters, brochures, flyers, etc.

You may be able to use portions of the narrative attachment from your earlier application, changing it where appropriate to reflect changes in your operations, and updating it with a paragraph or bulleted list of recent accomplishments. You might also be able to re-use other attachments with a just few key changes.

Check your records to see if your organization received an inquiry from the IRS about your previous application. Did the IRS require amendments to your governing documents or changes in your policies or procedures? Be sure to submit copies of the amended documents, or to describe your current (improved) policies and procedures.