

## 12b Submit a Complete Application

The IRS receives huge numbers of incomplete applications every year. From time to time in past years, incomplete applications were accepted for processing on the assumption that the application could be "perfected" during the course of normal processing. Currently, irs.gov says, "The IRS will not process an incomplete application." Revenue Procedure 2016-5 goes on to say, "If an application does not contain all of the items set out in section 3.12 of this revenue procedure, the Service will return it to the applicant for completion."

To help make sure your application is as complete as possible, the IRS provides a two page **REQUIRED** checklist (after page 26 in the Form 1023 package). The detailed list below is based on both the Form 1023 checklist and the Rev.Proc 2016-5 checklist. (I have noted item numbers from section 3.12 of R.P. 2016-5 in brackets [ ] where applicable.)

Your application package should contain the following items, in the order shown. Secure the various documents together with a paper clip or rubber band; the IRS will discard your 3-ring notebook, comb-binding or other fancy fasteners.

1. An envelope containing your **check for the User Fee**. [3.12(8)] Make your check out to "United States Treasury" for either \$400 or \$850. It's a good idea to write the organization's Federal ID number and "Form 1023" in the memo area of the check. More information on the User Fee can be found starting on page **Error! Bookmark not defined..**
2. The two-page **Form 1023 Checklist**, found at the end of Package 1023 (or printed separately, if you use the Interactive 1023). Note that you must indicate which Form 1023 schedules you are filing, as well as entering the locations (from the articles of incorporation or other governing document) of your organization's purpose and dissolution clauses. [This requirement appears in the instructions for Form 1023, not in RP 2016-5.]  
(In applications I have reviewed since the IRS added this checklist, this item has often been overlooked.)
3. If your organization is represented by a tax professional, **Form 2848, Power of Attorney**. The IRS uses the list of officers and directors in Part V, Question 1a, at the bottom of page 2 of Form 1023, to check whether the proper person has signed your forms. If you decide you want the IRS to direct their questions to your attorney, accountant, or other person not listed on page 2 of the 1023, you will need to submit a Power of Attorney signed by someone who is listed on page 2. More information about Form 2848 is in the Handbook. [This is an optional item not included in Rev. Proc 2016-5.]

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4. If you want the IRS to discuss your application with a third party, **Form 8821, Tax Information Authorization**, signed by someone who is listed on page 2 of your 1023. More information about Form 8821 can be found in the Handbook. (Note: Form 8821 does not authorize your appointee to advocate your position, or execute waivers, consents, or closing documents on your behalf.) [This is an optional item not included in Rev. Proc 2016-5.]
5. If you are asking the IRS to expedite review of your application, an **Expedite Request**, usually in the form of a letter. [This is an optional item not included in Rev. Proc 2016-5.]
6. **Form 1023**, Application for Recognition of Exemption Under Section 501(c)(3), signed on page 12 by someone listed on page 2 of the Form. [3.12(1)] Make certain that adequate financial data is provided [3.12(3)] (see page **Error! Bookmark not defined.** for suggestions). Make certain that all applicable parts of the form are completed, including the EIN [3.12.(2)], the narrative [3.12.(4)] and any schedules required for your type of organization. Discard any schedules not required.
7. **Articles of Incorporation** (or other governing document if your group is not incorporated - constitution, articles of association, etc.) The document you submit must be a conformed copy: Articles of Incorporation should have the Secretary of State's stamp or other evidence that they have been properly filed. [3.12(6)] (Do not make the mistake of submitting only the certificate of incorporation - the IRS needs the whole document.) If your group is not incorporated, the governing document must be signed by at least two people, and show the adoption date. [3.12(5); The requirement for two signatures appears in the instructions for Form 1023, not in RP 2016-5.]
8. If your articles of incorporation or other governing document has been amended, conformed copies with the full text of **all amendments**. If there have been multiple amendments, the IRS asks that you put them in chronological order.
9. **Bylaws**. These should be signed and dated show the date they were adopted. [3.12(7)]
10. If your organization is a school, documentation of your **racially nondiscriminatory policy**.
11. If the organization has decided to elect to make expenditures to influence legislation under section 501(h) of the Internal Revenue Code, a completed **Form 5768**. The Handbook entries for Form 5768, and for Lobbying provide additional information about this election.

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The IRS has the option of simply returning an application if it does not have all the items listed above, and it appears they began doing so again (rather than "perfecting" incomplete applications) in late 2015. The IRS may request additional information even if you have submitted all the items listed above. The materials listed below are often requested by IRS agents reviewing 501(c)(3) applications, and should be attached if you have them. Refer to the General Guidelines for supporting materials on page **Error! Bookmark not defined.**

1. Any materials specifically referred to in your Form 1023 should be attached.
2. Printed materials describing the history of the organization, its activities and its plans for the future. This might include brochures, pamphlets, descriptive literature, fundraising appeals, published materials, etc. If you don't have any, it is a good idea to say so somewhere in the application. If you have some in draft form, go ahead and submit them, clearly marked as drafts, if that is all that is available.
3. If the organization publishes a newsletter, sample copies. Up to three copies - representative and recent.
4. If the group is a membership organization, any materials prepared for members - membership application forms, promotional materials, sample membership certificates or identification cards, sample copies of member-only publications, etc.
5. If you have received media coverage, copies of newspaper clippings, transcripts of interviews, etc.
6. Any documentation you have regarding grant monies. This might include copies of grant applications, grant contracts, or correspondence between your organization and the grantor. Up to three grant applications - representative and recent.
7. Any documentation you have regarding fundraising. This might include sample solicitation letters, flyers describing fundraising events, or sample thank you letters sent to donors.
8. If you provide goods or services and charge fees, a copy of your fee schedule.
9. If appropriate, a "schedule of events," showing where and when your organization has held informational or other events during the last 12 months. Include approximate attendance.
10. It is sometimes useful to have selected letters from your correspondence files, such as letters between your organization and potential members or board members, letters of appreciation from groups where you have made presentations or otherwise helped out, or perhaps even letters from public officials commenting on your efforts.

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11. Any or all of the following, if available:

- a. printouts of sample pages from your organization's website
- b. advertisements, including internet and Yellow Pages listings, if any
- c. actual samples of items you have for sale (unless they are bulky or expensive)
- d. copies of contracts, rental agreements, leases, and loan agreements involving the applicant organization
- e. copies of Federal, State or local legislation, if any, regarding the creation or continued existence of the organization
- f. résumés of board members and/or key employees, if readily available, and/or copies of licenses, certificates, etc. issued to these individuals, if they are relevant to your organization's mission
- g. independent appraisals of assets the organization is renting or purchasing from related parties, if available

12. Anything else you may have which would give the IRS insight into your organization's mission or operations.

If you are submitting an application to have exempt status reinstated, check Chapter 19 for additional items you may want to include with your application.

**Once in a while an application will go astray. Be sure to keep a complete copy of your completed application and supporting materials for your records.**