

## **CLIENT REPORT:**

# **Final Regulations on Electronic Notification for Small Tax-Exempt Organizations**

Dear Client:

The IRS has issued final regulations addressing the notification requirements for tax-exempt entities that are not required to file information returns. Generally, tax-exempt organizations whose annual gross receipts are not normally in excess of \$25,000, or certain churches and religious organizations, may submit an annual notification electronically in lieu of an information return.

The final regulations describe the time and manner, as well as the required information that must be submitted with the electronic notification. The electronic filing should provide the legal name, the name under which the tax-exempt organization does business, the mailing address and web address (if applicable), the taxpayer identification number, the name and address of a principal officer, and evidence of the continuing basis for the organization's exemption from the requirement to file Form 990 or Form 990-EZ. The pertinent information must be submitted electronically on Form 990-N, Electronic Notification (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990EZ, on or before the 15th day of the fifth month following the close of the applicable reporting period.

By submitting Form 990-N, you are acknowledging that you are not required to file an informational return because your annual gross receipts are not normally greater than \$25,000. If your organization has been in existence for less than three years, the gross receipts value and calculation differs. You must be able to substantiate the gross receipts calculation by keeping adequate records.

The annual electronic notification is significantly less detailed and time-consuming than filing Form 990 or 990-EZ. We would be happy to help you determine whether your organization qualifies for the less burdensome notification process, and ensure that your recordkeeping is adequate to substantiate your gross receipts calculation. Please call our office at your earliest convenience to arrange an appointment.

Sincerely yours,

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