



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, D.C. 20224

December 10, 2014

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Affected IRM: 7.20.2  
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MEMORANDUM FOR EXEMPT ORGANIZATIONS DETERMINATIONS UNIT AND  
EXEMPT ORGANIZATIONS DETERMINATIONS QUALITY ASSURANCE

FROM: Jon Waddell /s/ *Jon Waddell*  
Acting Director, Exempt Organizations, Rulings and Agreements

SUBJECT: Interim Guidance on Processing for Section 501(c)(3) Applications Involving  
Potential Political Campaign Intervention

On December 10, 2013, Exempt Organizations (EO) issued Interim Guidance Memorandum TEGE-07-1213-23, *Processing Guidelines for Section 501(c)(3) Applications Involving Political Campaign Intervention*, which provided guidance to the Exempt Organizations Determinations Unit (EOD) and Exempt Organizations Determinations Quality Assurance (EODQA) regarding processing and review guidelines for applications for tax-exempt status under section 501(c)(3) that indicate the organization may be involved in political campaign intervention for which additional development is necessary to determine qualification of exempt status. This memorandum modifies and supersedes the directives outlined in Interim Guidance Memorandum TEGE-07-1213-23.

Effective immediately, all section 501(c)(3) applications for exemption that indicate potential political campaign intervention activities will be processed according to the procedures outlined here. For a list of activities that may suggest the potential for political campaign intervention see IRM 7.20.5, *Review Procedures for EO Determinations*.

The following procedures will apply:

1. The EOD specialist (specialist) will review the application for exemption in accordance with the procedures outlined in TEGE-07-1014-0027, *Interim Guidance for Determination Letter Request Case Designation and Processing*, dated October 24, 2014, to determine whether the case can be closed on merit, requires additional development, or needs to be reassigned.
2. If the specialist determines that the case requires development (cannot be closed on merit), the specialist will generally prepare Letter 1312, *Request for Additional Information*, using applicable pre-written or composed development questions. In determining whether the case requires additional development the specialist should review the application keeping in mind the streamlined concepts outlined in Interim

Guidance Memorandum TEGE-07-0214-02, *Streamlined Processing Guidelines for All Cases*, dated February 28, 2014.

3. The specialist will submit the case and draft 1312 letter to his or her manager for review within the timeframes outlined in IRM 7.20.2 for specialist's actions.
4. Within five days of receipt from the specialist, the group manager will review the case and the letter to ensure the additional information request letter complies with IRM 7.20.2.4.1 and the scope of the request is appropriate. Once the group manager is satisfied the additional information letter is proper, he or she will notify the specialist that the letter can be sent to the applicant.

Note: The group manager is no longer required to submit the case and draft 1312 letter to EODQA for additional review prior to issuing the letter to the applicant.

5. Upon receipt of a complete response from the applicant, the specialist will make a determination on the qualification for exemption under the requested subsection based on the facts and circumstances in the pending application and current law. The specialist will prepare a determination approval letter or a proposed adverse determination letter as the case may be. In accordance with IRM 7.20.5, the proposed closed case will be sent to EODQA as a designated mandatory review case.

These procedures are effective as of the date of this memorandum. Direct any questions to the EO Determinations, Area 1 Manager.

The content of this memorandum will be incorporated in IRM 7.20.2.

cc: [www.irs.gov](http://www.irs.gov)