

Step by Step Guidelines for Units whose tax exempt status was automatically revoked for not filing the 990N E-postcard for 3 consecutive years

ALL FORMS REQUIRED CAN BE FOUND ON THE AMERICAN LEGION AUXILIARY DEPARTMENT WEBSITE AT <http://www.calegionaux.org/forms.htm#TAX MANDATES>

Note: All Units must have their own EIN#s and can't use their Post number

STEP 1: Verify that your Unit EIN# is the same number listed on the IRS List of Revoked Tax Exempt Status because a lot of the numbers were incorrect. Your District President has a list of all Units in your District and she can tell you what EIN # is listed or you can go to the IRS website at <http://www.irs.gov/charities/article/0,,id=240099,00.html>, but there are pages and pages of organizations listed. Much easier to check with your District President as the number she has taken from the IRS list in most cases.

The IRS sent out letters to all these organizations whose exempt status was revoked, however, the letter was mailed to whomever was in their files as the point of contact and in many cases this person may not be alive or not even a current member of the Unit. *If you received a letter from IRS, then naturally you don't have to contact IRS to verify whether the number is correct or not just make sure it is the same as the current EIN# that your Unit is operating under. If the revoked EIN # is different than the one the Unit is currently operating under, you can call IRS to resolve the problem or just ignore the letter as the wrong number is no longer valid, however, it is imperative that you resolve any discrepancies for the correct EIN that the Unit is using.*

STEP 2: If the EIN# is indeed correct and your Unit appears on the Revocation list, that means IRS has automatically revoked your Unit tax exempt status because your Unit has not filed the 990N e-postcard for 3 consecutive years. If you have filed and you feel IRS has made a mistake, call them to resolve the problem at (877) 829-5500. These are the experts on all of this and the American Legion National Judge Advocate suggested this number rather than calling any other phone number.

STEP 3: If the Unit tax exempt status has been revoked, the only way to get your tax exempt status reinstated is to fill out the IRS form, **f1024 Application for Recognition of Exemption** along with the **f8718 User Fee for Exempt Organization Determination Letter Request**.

The f1024 is not a "simple" form, it requires a lot of thought and attaching documents that some Units may not have. For instance, you must attach Articles of Incorporation with this form, however, if you are not incorporated, you won't have Articles of Incorporation so you can submit a copy of your Unit Charter and check Association on Page of

the f1024 form. If the Unit is incorporated and you don't have a copy of the Articles of Incorporation, you can check with the California Secretary of State to see about ordering a copy. They will charge you \$.50 per page to copy it and a \$5.00 fee to certify it. Form can be found on the Department web site at

<http://www.calegionaux.org/finance/Business%20Entities%20Records%20Order%20Form.pdf#zoom=75%>.

IRS has given all organizations whose tax exempt status was automatically revoked the opportunity to reinstate their tax exempt status and paying \$100 as long as they file no later than December 2012. After December 2012, amount will go back to the normal cost which is considerably higher than \$100 so you want to ensure you file prior to the end of 2012, preferable before December.

STEP 4: Once you have filed the f1024 and IRS has approved the reinstatement of your tax exempt status, you will receive a Determination Letter from IRS. Make a copy of that letter and email, fax or snail mail a copy to the Department Office.....this is mandatory so that Department can send this information to National and they will write a letter to IRS requesting your Unit be added to Group 0964 exemption.

STEP 5: To avoid losing tax exempt status in the future, all tax exempt organizations with gross income less than \$25,000 for tax years 2007, 2008 and 2009 which was raised in 2010 to \$50,000 must annually e-file the 990N E-postcard with the IRS and the 199N with the California Franchise Tax Board. Make sure the fiscal year on both of these is July 1 to June 30th as the due dates for both are due 5 months on the 15th day after the close of your Unit books.

Fiscal year for all Units and Districts should be July 1 to June 30th, when you file the Unit or District 990N E-postcard check the dates listed and make sure they are correct. If not, a letter must be written to Internal Revenue Service, ATTN: EO Entity MS 6273, Ogden, UT 84201 requesting them to change the fiscal year to July 1 to June 30th. Make sure the name of your Unit is listed with the EIN# so they can make the change. Normally, they don't send a confirmation that it has been done, they just make the change and the correct fiscal year will appear when you file the next year's 990N E-postcard.