**21.3.8.9.8 (10-01-2022)**

**Status Codes - Exempt Organizations (EO)**

**https://www.irs.gov/irm/part21/irm\_21-003-008**

1. **Status Code 01**– When Status Code 01 is present on the Master File, it indicates an unconditional exemption has been granted to the organization.
2. **Status Code 02**– Conditional — The exemption was conditioned upon an organization representing that it will meet an operational requirement. The organization needs to furnish amended articles containing the (c)(3) language. IRS no longer grants conditional rulings. Status code 02 may be encountered on rare occasion when working old case issues. *IRM 21.3.8.4.1.1Choosing the Appropriate Letter.*
3. **Status Code 06**– State-operated university or college required to file Form 990-T for unrelated business income.

**Note:** Advise the caller that we have no record of tax exemption by virtue of an approved application (*IRM 21.3.8.4.1.1*, *IRC 6103*). Explain that certain organizations (for example, churches, government entities, Indian tribal governments) may not be required to file for formal recognition and inform the caller that we can confirm tax exemption only when our records reflect that a formal determination ruling has been made. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.

1. **Status Code 07**– Church filing Form 990-T that does not have a formal exemption.

**Note:** Advise the caller that we have no record of tax exemption by virtue of an approved application (*IRM 21.3.8.4.1.1*, *IRC 6103*). Explain that certain organizations (for example, churches, government entities, Indian tribal governments) may not be required to file for formal recognition and inform the caller that we can confirm tax exemption only when our records reflect that a formal determination ruling has been made. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.

1. **Status Code 10** – Pre-examination of church — The Form 990 that is submitted to OSPC will have been prepared by the EO Area Office Examination.
2. **Status Code 11** – Church-controlled school with no formal exemption that files a Form 5578.

**Note:** Advise the caller that we have no record of tax exemption by virtue of an approved application (*IRM 21.3.8.4.1.1*, *IRC 6103*). Explain that certain organizations (for example, churches, government entities, Indian tribal governments) may not be required to file for formal recognition and inform the caller that we can confirm tax exemption only when our records reflect that a formal determination ruling has been made. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information about organizations not required to apply for formal exemption.

1. **Status Code 12** — A formal exemption was not granted for filing a Form 990 or Form 990-PF under IRC 4947(a)(1), a Form 5227 under IRC 4947(a)(2), or a Form 990-C/Form 1120-C (Taxable Farmer's Cooperative) under IRC 521.
2. **Status Code 18** - Is used when the organization is a trust. (Required to file Form 990-PF and Form 1041.)

**Note:** Status Code 18 is input when a private foundation exemption has been revoked. The organization is required to continue filing a Form 990-PF return.

1. **Status Code 19** - Is used when the organization is a corporation. (Required to file Form 990-PF and Form 1120.)

**Note:** Status Code 19 is input when a private foundation exemption has been revoked. The organization is required to continue filing a Form 990-PF return.

1. **Status Code 20** — Is used when the organization with an individual ruling is terminated or out of business. See IRM 21.3.8.12.6, *Request for Reinstatement of Tax-Exempt Recognition*, for additional information. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information on status checks.

**Exception:** Until a new status code is designated for that purpose, status 20 is also used for government entities that have voluntarily given up their exemption without terminating the organization. See *IRM 21.3.8.12.5.1.1*, *Government Entities That Voluntarily Relinquish Their IRC 501(c)(3) Exemption*, for additional information.

**Note:** This Status Code is only used for organizations with individual rulings. If the organization is a subordinate of a group and the parent indicates it is no longer part of the group, the status code will be 28. See IRM 21.3.8.9.8, *Status Code - Exempt Organizations (EO)*, for additional information.

1. **Status Code 21** — Is used when we are unable to locate the organization. See IRM 21.3.8.12.6, *Request for Reinstatement of Tax-Exempt Recognition*, for additional information. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information on status checks.

**Note:** When the Form 990 series return or e-Postcard for an organization in status 21 is processed, the status of the organization is updated to the status it held prior to status 21. Additionally, the address of record is updated to the address provided on the return/e-Postcard.

1. **Status Code 22** — Is used when the organization's exemption has been revoked by EO Examinations. This status generates an 1120 filing requirement. When an account is in STATUS Code 22, verify disclosure and respond to the caller using the following table:

| **If** | **Then** |
| --- | --- |
| The caller is authorized | * 1. Apologize to the caller and advise him/her that you are unable to confirm the status.   2. Prepare a Form 4442 with the caller's name, relationship to the organization and telephone number. In Part III Section B, notate: "Status 22 verification."   3. Tell the caller that someone will contact him/her within 30 days.   4. Route the Form 4442 to your manager, who will send it to EO Exam using the fax number in *Exhibit 21.3.8-15*, *Contact Information*.   **Caution:** DO NOT update the account under any circumstances. |
| The caller is not authorized | Advise the caller that the organization is no longer tax exempt as of (month/year), using the status code date for month/year. See *IRM 21.3.8.4.2.2*, *Exempt Organization (EO) Inspection of Determination Applications and Disclosure of Employer Identification Number (EIN) Information* |

1. **Status Code 23** — Is used when the organization is terminated under 507(a).
2. **Status Code 24** — Is used when the organization is terminated under 507(b)(1)(A).
3. **Status Code 25** — Is used when a private foundation files a notification of its intent to begin a 60-month termination under 507(b)(1)(B). An advance ruling letter may be requested. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, and *IRM 21.3.8.12.5.4.1*, *IRC 507(b)(1)(B) Terminations (60-Month Terminations)*, for additional information.
4. **Status Code 26** (Termination/Merger) — Is used for accounts that are no longer in existence when two exempt organizations are merged (both accounts were exempt either by individual rulings or by a group ruling). See *IRM 21.3.8.12.5.2*, *Merger of Two or More Organizations*, for more information.
5. **Status Code 27** — Indicates a subordinate organization is no longer included in a group exemption ruling because the central organization's exemption was auto-revoked for failure to file the required annual information returns for three consecutive years. After the central organization is placed into status 97, subordinate organizations that are compliant with their EO filing requirement are placed into status 27 (those that are not are placed into status 97). Organizations are sent CP 120-B, *Revocation notice of tax exempt status*, when they are put into status 27. Because they still display an EO filing requirement on Master File, organizations in status 27 may continue to submit a Form 990-N or e-file a Form 990 series return. See *IRM 21.3.8.9.12*, *Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns*, for information about updating IDRS for organizations in status 27.
6. **Status Code 28** — Indicates a subordinate organization is no longer included in a group exemption ruling. The status is updated to 28 when:
   1. The central organization has notified IRS that the subordinate is no longer part of its group exemption.
   2. The central organization files a final EO return.
   3. A TC 591 is input on the central organization’s EO tax module.

**Note:** The status will also automatically be updated to 28 if the subordinate organization files a 990 series return and checks the final return box, or if a TC 591 is input on any 990 series tax modules. Research EDS/TEDS to verify that the organization does not have an individual ruling.

1. If the caller asks about returning to the group exemption and the central organization is in EO status 01 on IDRS, see *IRM 21.3.8.12.14.5*, *Adding Subordinates to a Group Exemption and Modifying Subordinate Information*. If the organization does not want to return to the group exemption or the central organization is not in EO status 01 on IDRS, see *IRM 21.3.8.9.12*, *Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns*.
2. **Status Code 29** — Is used when a group ruling has been dissolved as a result of the central organization notifying EO Entity that the group ruling was no longer being used. All EO filing requirements will reflect zero.

**Reminder:** If the (formerly) central organization for a dissolved group ruling is going to maintain its individual exemption, it will be in status 01 with an affiliation code of 1-3 (generally 3) and the former subordinates will be in status 36 or status 40, as appropriate.

**Note:** Only Ogden has the authority to take an organization out of Status 29 if there is no "T" case on EDS/TEDS. Impacted central organizations must send the request for reinstatement and a current listing of subordinates to EO Entity . Tell the caller to allow 90 days for the records to be corrected once Entity agrees to restore the group ruling. See *Exhibit 21.3.8-15*, *Contact Information*, for address and fax number details.  
  
If there is a T case on EDS/TEDS, the central organization must submit a request to the EO Correspondence Unit. See *Exhibit 21.3.8-15*, *Contact Information*, for address and fax number details.  
  
EO Determinations will notify the central organization whether its exemption can be reinstated or whether it will need to reapply.

1. **Status Code 30** — Applies to churches, their integrated auxiliaries, and conventions or associations of churches as described in IRC 501(c)(3) that voluntarily file Form 990, even though they have not received a formal exemption ruling and Master File does not indicate they are covered under a group exemption ruling. Handle as a no-record church. If requested, order all appropriate forms and send a Letter 4163C (No Record of Exemption of Organization Letter).
2. **Status Code 31** — Applies to small 501(c)(3) organizations other than churches and private foundations that normally have annual gross receipts of less than $5,000 and that submit a Form 990-N or that voluntarily file Form 990/Form 990-EZ, even though they have not received a formal exemption ruling and Master File does not indicate they are covered under a group exemption ruling. Handle as a no-record. If requested, order all appropriate forms and send a Letter 4163C (No Record of Exemption of Organization Letter).
3. **Status Code 33** — Applies to foreign private foundations described in IRC 4948(b) that are not required to apply for exemption, but are required to file a Form 990-PF to pay 4 percent tax on gross investment income derived from sources within the United States.
4. **Status Code 34** — Applies to political organizations operating under the rules of IRC 527.
5. **Status Code 35** — Applies to foreign entities that IRS has agreed are exempt by treaty with the participating country, but have no foundation code. For example, Canadian charities would be set up on Master File with an EO Status Code of 35.
6. **Status Code 36** — Applies to:
   1. Organizations other than 501(c)(3), (4), (9), (17), or (29) that have submitted a Form 990-N or that filed Form 990/Form 990-EZ and have not received a formal exemption ruling, and the Master File does not indicate the organization is covered under a group exemption ruling
   2. IRC 501(c)(4) entities that have registered under IRC 506 (even if no Form 990 series return was filed)
7. **Status Code 40** — Is input by OSPC to create an EO submodule for a 501(c)(3), (4), (9), (17), or (29) organization that has not been ruled to be exempt or, if claiming exemption under IRC 501(c)(4), that has not notified the IRS of that per IRC 506 at the time a Form 990-N is submitted or that a Form 990/Form 990-EZ is filed.
   1. A CP 120, *Confirmation of Tax-Exempt Status Required*, is automatically generated to organizations that are put into status 40.

**Note:** This notice currently asks the organization for a copy of its determination letter and advises the organization that it must apply for formal recognition of its exemption if it does not already have a determination letter. The notice is being revised to include organizations claiming exemption under IRC 501(c)(4) that have failed to notify the IRS of that per IRC 506.

* 1. Use the following chart when responding to calls on CP 120:

| **If** | **Then** |
| --- | --- |
| An organization contacts the TEGE toll free sites to request an extension of time to reply to the CP 120 | Prepare a Form 4442 referral to EO Entity using the fax number in *Exhibit 21.3.8-15*, *Contact Information*. Include the caller's contact information and the notation "CP 120 response" in Part III, section B of the referral. |
| The caller has other questions about the letter which you cannot answer based on your knowledge of EO tax law and the requirement of certain organizations to apply for formal recognition of their tax-exempt status | Prepare a Form 4442 referral to EO Entity using the fax number in *Exhibit 21.3.8-15*, *Contact Information*. Include the information stated above, as well as a summary of the caller's question/issue. |

**Note:** Although status 40 submodules do not display a Form 990 series filing requirement, the system will accept those returns when filed electronically. Do not attempt to add EO filing requirements to an entity in status 40.

1. **Status Code 41** — Input when a status 40 organization has failed to reply to solicitation for application/notification. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.
2. **Status Code 42** — Input when an extension of time to file an EO return is received from an organization that does not have a formal exemption or is not covered under a group exemption ruling.
3. **Status Code 70** — Is input when, on merits of the application, an exemption is denied. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.
4. **Status Code 71** — Is input when an organization fails to establish (FTE) an exemption by failing to respond to our request for additional information. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.
5. **Status Code 72** — Refusal to Rule
6. **Status Code 97** — Automatic revocation of exempt status due to failure to file an information return or Form 990-N for three consecutive tax periods. See *IRM 21.3.8.12.6.1*, *Responding to Calls From or About Organizations in Status 97*, for additional information.
7. **Status Code 98** - Input to identify terrorist organizations. See IRM 21.3.8.12.6, *Request for Reinstatement of Tax-Exempt Recognition*.
8. **Status Code 99** - Input by the EO Compliance Area when an organization in status code 22, 41, or 70-72 files an EO return. Treat the organization as one which is not exempt, i.e., inform the authorized caller to file a taxable return until the organization applies for and receives formal exemption. See *IRM 21.3.8.5.1.3.1*, *Verification of Tax-Exempt Status and Foundation Classification*, for additional information.

**Exception:** Update the submodule per *IRM 21.3.8.9.12*, *Updating Exempt Organization (EO) Submodules Created by EO-EIN Transcripts, EO Submodule Data Sheets, and Filed Returns*, if both of the following apply. Inform the caller that the organization will be able to submit its Form 990-N or e-file its return in four weeks and notate AMS with the actions taken.  
•The prior status of the organization is 41.  
•The caller asserts that the organization is organized and operated under an applicable subsection of IRC 501(c). If the caller claims exemption under IRC 501(c)(3), and state that the organization qualifies as a public charity with annual gross receipts averaging $5000 or less and that the organization does not intend to apply for formal recognition of exemption.

1. See *Exhibit 21.3.8-3*, *Table of IDRS EO Status, Foundation, and Affiliation Codes*, for a quick reference guide.