



# Instructions for Form 1024

(Rev. September 1998)

## Application for Recognition of Exemption Under Section 501(a)

**Note:** Keep a copy of the completed Form 1024 in the organization's permanent records.

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**User fee.**—Submit with the Form 1024 application for a determination letter, a **Form 8718**, User Fee for Exempt Organization Determination Letter Request, and the user fee called for in the Form 8718. You may obtain Form 8718, and additional forms and publications, through your local IRS office or by calling 1-800-829-3676 (**1-800-TAX-FORM**). User fees are subject to change on an annual basis. Therefore, be sure that you use the most current Form 8718.

**Helpful information.**—For additional information, see:

- **Pub. 557**, Tax-Exempt Status for Your Organization
- **Pub. 598**, Tax on Unrelated Business Income of Exempt Organizations
- **Pub. 578**, Tax Information for Private Foundations and Foundation Managers
- **Internet site:**  
[www.irs.ustreas.gov/bus\\_info/eo/](http://www.irs.ustreas.gov/bus_info/eo/)

### Purpose of Form

Form 1024 is used by most types of organizations to apply for recognition of exemption under section 501(a). See Part I of the application.

Even if these organizations are not required to file Form 1024 to be tax-exempt, they may wish to file Form 1024 to receive a determination letter of IRS recognition of their section 501(c) status in order to obtain certain incidental benefits such as:

- Public recognition of tax-exempt status
- Exemption from certain state taxes
- Advance assurance to donors of deductibility of contributions (in certain cases)
- Nonprofit mailing privileges, etc.

**Note:** Generally, Form 1024 is **NOT** used to apply for a group exemption letter. For information on how to apply for a group exemption letter, see Pub. 557.

**Note:** Tax benefits for certain homeowners associations under section 528 are available to organizations that are not exempt from Federal income tax. To elect these benefits, file a properly completed and timely filed (including extensions) **Form 1120-H**, U.S. Income Tax Return for Homeowners Associations. **DO NOT** file Form 1024.

### What To File

Do not submit any blank schedules that do not apply to your type of organization.

Most organizations applying for exemption under section 501(a) must complete Parts I through III.

Section 501(c)(9), Voluntary Employees' Beneficiary Associations, and section 501(c)(17), Supplemental Unemployment Benefit Trusts, applicants should also complete Part IV.

See **Special Rule for Certain Canadian Organizations** on the following page.

In addition, each organization must complete the schedule indicated on page 1 of the application for the section of the Code under which it seeks recognition of exemption. (For example, a social welfare organization seeking recognition under section 501(c)(4) must complete Parts I through III and Schedule B.)

### Attachments

**For any attachments submitted with Form 1024.**—

- Show the organization's name, address, and employer identification number (EIN).
- Identify the Part and line item number to which the attachment relates.
- Use 8-1/2 x 11 inch paper for any attachments.
- Include any court decisions, rulings, opinions, etc., that will expedite processing of the application. Generally, attachments in the form of tape recordings are not acceptable unless accompanied by a transcript.

### When To File (Section 501(c)(9) or (17) Organization)

An organization must file Form 1024 to be recognized as an organization described in section 501(c)(9) or 501(c)(17). Generally, if an organization files its application within 15 months after the end of the month in which it was formed, and if the IRS approves the application, the effective date of the organization's section 501(c)(9) or (17) status will be the date it was organized.

Generally, if an organization does not file its application (Form 1024) within 15 months after the end of the month in which it was formed, it will not qualify for exempt status as a section 501(c)(9) or (17) organization during the period before the date of its application. For exceptions and special rules, including automatic extensions in some cases, see Part IV of Form 1024.

The date of receipt is the date of the U.S. postmark on the cover in which an exemption application is mailed or, if no postmark appears on the cover, the date the application is stamped as received by the IRS.

**Private delivery services.**—See the instructions for your income tax return for

information on certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying rule."

The private delivery service can tell you how to get written proof of the mailing date.

**Caution:** Private delivery services cannot deliver items to P.O. boxes. You must use the U. S. Postal Service to mail any item to an IRS P.O. box address. See the Form 8718 for the P.O. box address as well as the express mail or a delivery service address.

### Where To File

File the completed Form 1024 application, and all required information, at the address shown in Form 8718.

The IRS will determine the organization's tax-exempt status and whether any annual returns must be filed.

### Signature Requirements

An officer, a trustee who is authorized to sign, or another person authorized by a power of attorney, must sign the Form 1024 application. Attach a power of attorney to the application. You may use **Form 2848**, Power of Attorney and Declaration of Representative, for this purpose.

### Appeal Procedures

Your organization's application will be considered by the IRS which will either:

1. Issue a favorable determination letter;
2. Issue a proposed adverse determination letter denying the exempt status requested; or
3. Refer the case to the National Office.

If we send your organization a proposed adverse determination, we will advise it of its appeal rights at that time.

### Language and Currency Requirements

**Language requirements.**—Prepare the Form 1024 and attachments in English. Provide an English translation if the organizational document or bylaws are in any other language. See the conformed copy requirements in the line 8 instructions under Part I.

You may be asked to provide English translations of foreign language publications that the organization produces or distributes and that are submitted with the application.

**Financial requirements.**—Report all financial information in U.S. dollars (specify the conversion rate used). Combine amounts from within and outside the United States and report the total for each item on the financial statements.

For example:

Gross Investment Income	
From U.S. sources	\$ 4,000
From non-U.S. sources	1,000
Amount to report on income statement	\$ 5,000

## Annual Information Return

If an annual information return is due while the organization's application for recognition of exempt status is pending with the IRS (including any appeal of a proposed adverse determination), the organization should file:

**Form 990**, Return of Organization Exempt From Income Tax, or **Form 990-EZ**, Short Form Return of Organization Exempt From Income Tax, at the following address: Internal Revenue Service, Ogden Service Center, Ogden, UT 84201-0027

Indicate that an application is pending.

If an organization has unrelated business income of more than \$1,000, file **Form 990-T**, Exempt Organization Business Income Tax Return.

Applicants under sections 501(c)(5), (9), and (17) should see the Form 990 (or Form 990-EZ) instructions for special provisions regarding substitutions for certain parts of that form.

## Public Inspection of Form 1024

**Caution:** Note the discussion below for the potential effect of the *Taxpayer Bill of Rights 2 (TBOR2)* on these instructions.

### IRS responsibilities for public inspection.—

If the organization's application for section 501(c) status is approved, the following items will be open to public inspection in any District office and at the National Office of the IRS (section 6104):

1. The organization's application and any supporting documents.

2. Any letter or other document issued by the IRS with regard to the application.

Note that the following items are not available for public inspection:

1. Any information relating to a trade secret, patent, style of work, or apparatus that, if released, would adversely affect the organization, or

2. Any other information that would adversely affect the national defense.

**IMPORTANT:** Applicants must identify this information by clearly marking it, "NOT SUBJECT TO PUBLIC INSPECTION," and must attach a statement to explain why the organization asks that the information be withheld. If the IRS agrees, the information will be withheld.

**Organization's responsibilities for public inspection.—**The organization must make available a copy of its approved application and supporting documents, along with any document or letter issued by the IRS, for public inspection.

These documents must be available during regular business hours at the organization's principal office and at each of its regional or district offices having at least three paid employees. See Notice 88-120, 1988-2 C.B. 454.

A penalty of \$20 a day will be imposed on any person under a duty to comply with the public inspection requirements for each day a failure to comply continues.

### Furnishing copies of documents under TBOR2.—

The Taxpayer Bill of Rights 2 (TBOR2), enacted July 30, 1996, modified prospectively the section 6685 penalty and the rules for the public inspection of returns and exemption applications. An organization must furnish a copy of its Form 990, Form 990-EZ, or exemption application, and certain related documents, if a request is made in writing or in person.

For a request made in person, the organization must make an immediate response.

For a response to a written request, the organization must provide the requested copies within 30 days.

The organization must furnish copies of its Forms 990, or Forms 990-EZ, for any of its 3 most recent taxable years. No charge is to be made other than charging a reasonable fee for reproduction and actual postage costs.

An organization need not provide copies if:

1. The organization has made the requested documents widely available in a manner provided in Treasury regulations, or

2. The Secretary of the Treasury determined, upon application by the organization, that the organization was subject to a harassment campaign such that a waiver of the obligation to provide copies would be in the public interest.

**Penalty for failure to allow public inspection or provide copies.—**The section 6685 penalty for willful failure to allow public inspections or provide copies is increased from the present-law level of \$1,000 to \$5,000 by TBOR2.

**Effective date of TBOR2.—**These public inspection provisions governing tax-exempt organizations under TBOR2 generally apply to requests made no earlier than 60 days after the date on which the Treasury Department publishes the regulations required under the provisions. However, Congress, in the legislative history of TBOR2, indicated that organizations would comply voluntarily with the public inspection provisions prior to the issuance of such regulations.

## Special Rule for Certain Canadian Organizations

A religious, scientific, literary, educational, or charitable organization formed in Canada that has received a **Form T2051**, Notification of Registration, from Revenue Canada (Department of National Revenue, Taxation) and whose registration has not been revoked may apply for recognition of exemption as a social welfare organization under section 501(c)(4) without completing all parts of Form 1024 that would otherwise be required. Such an organization must complete only Part I and the signature portion of Form 1024.

To indicate that this special rule applies, the organization should write "Registered Canadian Organization" across the top of page 1 of Form 1024.

The organization must also attach a copy of its current Form T2051 and a copy of Application for Registration, **Form T2050**, together with all required attachments that it submitted to Revenue Canada.

If any of the attachments to Form T2050 were prepared in French, an English translation must be furnished with Form 1024.

In the case of organizing documents and bylaws, see the line 8 instructions under Part I.

An organization that wants recognition of exemption under section 501(c)(3) must complete **Form 1023**, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

Exemption under section 501(c)(3) is needed to establish eligibility to receive contributions that are deductible by U.S. residents to the extent provided by the U.S.–Canada tax treaty.

## Specific Instructions

The following instructions are keyed to the line items on the application form:

### Part I. Identification of Applicant

**Line 1. Full name and address of organization.—**Enter the organization's name exactly as it appears in its creating documents, including amendments. If the organization will be operating under another name, show the other name in parentheses.

For a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice in placing the postal code in the address. **Do not** abbreviate the country name.

**Line 2. Employer identification number (EIN).—**All organizations must have an EIN. Enter the nine-digit EIN the IRS assigned to the organization. See **Form SS-4**, Application for Employer Identification Number, for information on how to obtain an EIN immediately by telephone, if the organization does not have an EIN. Enter, "applied for," if the organization has applied for an EIN number previously. Attach a statement giving the date of the application and the office where it was filed. **Do not** apply for an EIN more than once.

**Line 3. Person to contact.—**Enter the name and telephone number of the person to be contacted during business hours if more information is needed. The contact person should be an officer, director, or a person with power of attorney who is familiar with the organization's activities and who is authorized to act on its behalf. Attach Form 2848 or other power of attorney.

**Line 4. Month the annual accounting period ends.—**Enter the month the organization's annual accounting period ends. The organization's accounting period is usually the 12-month period that is the organization's tax year. The organization's first tax year depends on the accounting period it chooses. The first tax year could be less than 12 months.

**Line 5. Date incorporated or formed.—**Enter the date the organization became a legal entity. For corporations this is the date that the articles of incorporation were approved by the appropriate state official. For unincorporated organizations, it is the date its constitution or articles of association were adopted.

**Line 6.—**Indicate if the organization has ever filed Form 1023, Form 1024, or other exemption application with the IRS.

**Line 7.—**Indicate if the organization has ever filed Federal income tax returns as a taxable organization or filed returns as an exempt organization (e.g., Forms 990, 990-EZ, 990-PF, and 990-T).

**Line 8. Type of organization and organizational documents.—**

**Organizing instrument.**—Submit a conformed copy of the organizing instrument. If the organization does not have an organizing instrument, it will not qualify for exempt status.

- A conformed copy is one that agrees with the original and all amendments to it. The conformed copy may be:
- A photocopy of the original signed and dated organizing document, OR
- A copy of the organizing document that is unsigned but is sent with a written declaration, signed by an authorized individual, that states that the copy is a complete and accurate copy of the original signed and dated document.

**Corporation.**—In the case of a corporation, a copy of the articles of incorporation, approved and dated by an appropriate state official, is sufficient by itself.

If an unsigned copy of the articles of incorporation is submitted, it must be accompanied by the written declaration discussed above.

Signed or unsigned copies of the articles of incorporation must be accompanied by a declaration stating that the original copy of the articles was filed with and approved by the state. The date filed must be specified.

**Unincorporated association.**—In the case of an unincorporated association, the conformed copy of the constitution, articles of association, or other organizing document must indicate in the document itself, or in a written declaration, that the organization was formed by the adoption of the document by two or more persons.

**Bylaws.**—If the organization has adopted bylaws, include a current copy. The bylaws need not be signed if submitted as an attachment to the Form 1024 application. The bylaws of an organization alone are not an organizing instrument. They are merely the internal rules and regulations of the organization.

**Trust.**—In the case of a trust, a copy of the signed and dated trust instrument must be furnished.

## **Part II. Activities and Operational Information**

**Line 1.**—It is important that you report all activities carried on by the organization to enable the IRS to make a proper determination of the organization's exempt status.

It is also important that you provide detailed information about the nature and purpose of each of the activities. The organization will be contacted for such information if it is not furnished.

**Line 2.**— If it is anticipated that the organization's principal sources of support will increase or decrease substantially in relation to the organization's total support, attach a statement describing anticipated changes and explaining the basis for the expectation.

**Line 3a.**—Furnish the mailing addresses of the organization's principal officers, directors, or trustees. Do not give the address of the organization.

**Line 3b.**—The annual compensation includes salary, bonus, and any other form of payment to the individual for services performed for the organization.

**Line 4.**—If your organization's activities were formerly performed under another name or if your organization was a part of another organization (tax-exempt or nonexempt), furnish the requested information. Otherwise, indicate "N/A."

**Line 5.**—Indicate your organization's current or planned connection with any tax-exempt or nonexempt organization.

**Line 6.**—If your organization has issued stock as a means of indicating ownership by its members or others, furnish the requested information. Otherwise, indicate "N/A."

**Line 7.**—If your organization is a membership organization, furnish the requested information. Otherwise, indicate "N/A."

**Line 8.**—If your organization should cease operations as a tax-exempt organization, explain to whom its assets will be distributed.

**Line 9.**—Indicate if the organization distributes, or plans to distribute, any of its property or funds (such as a distribution of profits) to its shareholders or members.

**Line 10.**—Indicate if the organization performs any services for any other organization or individual for which it is paid a fee.

**Line 11.**—Do not include the normal salary of officers or employees.

**Line 12.**—Answer "Yes," if the organization either provides insurance through a third party or provides the insurance itself.

**Line 13.**—Examples of public regulatory bodies are: HUD, HHS, Public Utilities Commission, Housing Commission, and a state insurance commission.

**Line 14.**—Provide the specified information about leased property whether it is used for exempt functions or for other purposes.

**Line 15.**—Provide the specified information about political expenditures whether they were made to support or to oppose particular candidates.

**Line 16.**—This includes any printed material that may be used to publicize the organization's activities, or as an informational item to members or potential members.

## **Part III. Financial Data**

The Statement of Revenue and Expenses must be completed for the current year and each of the 3 years immediately before it (or the years the organization has existed, if less than 4).

**Any applicant that has existed for less than 1 year must give financial data for the current year and proposed budgets for the following 2 years.**

Any applicant that has been in existence more than 1 year but seeks recognition of exemption only for the current year and future years (rather than from the date of its formation), should give financial data for the current year and proposed budgets for the following 2 years.

We may request financial data for more than 4 years if necessary.

All financial information for the current year must cover the period beginning on the first day of the organization's established annual accounting period and ending on any day that is within 60 days of the date of this application.

If the date of this application is less than 60 days after the first day of the current accounting period, no financial information is required for the current year.

Financial information is required for the 3 preceding years regardless of the current year requirements.

Note that if no financial information is required for the current year, the preceding year's financial information can end on any day that is within 60 days of the date of this application.

Prepare the statements using the method of accounting and the accounting period the organization uses in keeping its books and records.

If the organization uses a method other than the cash receipts and disbursements method, attach a statement explaining the method used.

## **A. Statement of Revenue and Expenses**

**Line 1.**—Include amounts received from the members that represent the annual dues and any special assessments or initiation fees.

**Line 2.**—Do not include amounts received from the general public or a governmental unit for the exercise or performance of the organization's exempt function.

**Line 3.**—Examples of such income include: the income derived by a social club from the sale of food or beverage to its members; the sale of burial lots by a cemetery association; and fees charged by a social welfare organization or trade association for an educational seminar it conducted.

**Line 4.**—Enter the organization's gross income from activities that are regularly carried on and not related to the organization's exempt purposes.

Examples of such income include: fees from the commercial testing of products; income from renting office equipment or other personal property; and income from the sale of advertising in an exempt organization periodical. See Pub. 598 for information about unrelated business income and activities.

**Line 5.**—Attach a schedule showing the description of each asset, the name of the person to whom sold, and the amount received. In the case of publicly traded securities sold through a broker, the name of the purchaser is not required.

**Line 6.**—Include on this line the income received from dividends, interest, payments received on securities loans (as defined in section 512(a)(5)), rents, and royalties.

**Line 7.**—Enter the total income from all sources that is not reported on lines 1 through 6. Include, for example, income from special events such as raffles and dances that is not taxable as unrelated business income. Attach a schedule that lists each type of revenue source and the amount derived from each.

**Line 9.**—Enter the expenses directly related to the income sources reported on line 3 of this part.

**Line 10.**—Enter the expenses directly related to the income sources reported on line 4 of this part.

**Line 11.**—Attach a schedule showing the name of the recipient, a brief description of the purposes or conditions of payment, and the amount paid.

**Line 12.**—Attach a schedule showing the total amount paid for each benefit category, such as disability, death, sickness, hospitalization, unemployment compensation, or strike benefits.

**Lines 13–18.**—Use lines 13 through 18 to report expenses that are not directly related to the expense categories listed on lines 9 and 10.

For example, salaries attributable to the organization's exempt purpose activities should be included with any other expenses reportable on line 9 rather than being reported separately on line 14.

Salaries reportable on line 14 include, for example, those attributable to special events; to the solicitation of contributions; and to the overall management and operation of the organization.

**Line 13.**—Attach a schedule that shows the name of the person compensated; the office or position; the average amount of time devoted to business per week, month, etc.; and the amount of annual compensation.

**Line 14.**—Enter the total of employees' salaries not reported on line 13.

**Line 15.**—Enter the total interest expense for the year, excluding mortgage interest treated as occupancy expense on line 16.

**Line 16.**—Enter the amount paid for the use of office space or other facilities; heat; light; power; and other utilities; outside janitorial services; mortgage interest; real estate taxes; and similar expenses.

**Line 17.**—If your organization records depreciation, depletion, and similar expenses, enter the total.

**Line 18.**—Attach a statement listing the type and amount of each **significant** expense for which a separate line is not provided. Report other miscellaneous expenses as a single total if not substantial in amount.

## B. Balance Sheet

**Line 1.**—Enter the total interest- and non-interest-bearing cash in checking and savings accounts, temporary cash investments (money market funds, CDs, treasury bills, or other obligations that mature in less than 1 year), change funds, and petty cash funds.

**Line 2.**—Enter the total accounts receivable that arose from the sale of goods and/or performance of services.

**Line 3.**—Enter the amount of materials, goods, and supplies purchased or manufactured by the organization and held to be sold or used in some future period.

**Line 4.**—Attach a schedule that shows the name of the borrower, a brief description of the obligation, the rate of return on the principal indebtedness, the due date, and the amount due.

**Line 5.**—Attach a schedule listing the organization's corporate stock holdings.

For stock of closely held corporations, the schedule should show the name of the corporation, a brief summary of the corporation's capital structure, the number of shares held, and their value as carried on the organization's books. If such valuation does not reflect current fair market value, also include fair market value.

For stock traded on an organized exchange or in substantial quantities over the counter, the schedule should show the name of the corporation, a description of the stock and

the principal exchange on which it is traded, the number of shares held, and their value as carried on the organization's books.

**Line 6.**—Attach a schedule that shows the borrower's name, purpose of loan, repayment terms, interest rate, and original amount of loan.

Report each loan separately, even if more than one loan was made to the same person.

**Line 7.**—Enter the book value of securities held of the U.S., state, or municipal governments. Also enter the book value of buildings and equipment held for investment purposes. Attach a schedule identifying each.

**Line 8.**—Enter the book value of buildings and equipment not held for investment. This includes plant and equipment used by the organization in conducting its exempt activities. Attach a schedule listing these assets held at the end of the current tax-year period and the cost or other basis.

**Line 9.**—Enter the book value of land not held for investment.

**Line 10.**—Enter the book value of each category of assets not reported on lines 1 through 9. Attach a schedule listing each.

**Line 12.**—Enter the total of accounts payable to suppliers and others, such as salaries payable, accrued payroll taxes, and interest payable.

**Line 13.**—Enter the unpaid portion of grants and contributions that the organization has made a commitment to pay to other organizations or individuals.

**Line 14.**—Enter the total of mortgages and other notes payable at the end of the year. Attach a schedule that shows each item separately and the lender's name, purpose of loan, repayment terms, interest rate, and original amount.

**Line 15.**—Enter the amount of each liability not reported on lines 12 through 14. Attach a separate schedule.

**Line 17.**—Under fund accounting, an organization segregates its assets, liabilities, and net assets into separate funds according to restrictions on the use of certain assets. Each fund is like a separate entity in that it has a self-balancing set of accounts showing assets, liabilities, equity (fund balance), income, and expenses.

If the organization uses fund accounting, report the total of all fund balances on line 17. If the organization does not use fund accounting, report only the "net assets" account balances, such as capital stock, paid-in capital, and retained earnings or accumulated income.

## Part IV. Notice Requirements

Part IV only applies to section 501(c)(9) and (17) organizations. Organizations applying for tax-exempt status under other sections of the Code should not fill in Part IV.

**Line 1.**—If you answer "Yes," do not answer questions 2 through 4. If you answer "No," proceed to line 2.

**Line 2.**—Relief from the 15-month filing requirement is granted automatically if the organization submits a completed Form 1024 within 12 months from the end of the 15-month period.

To get this extension, an organization must add the following statement at the top of its application: "Filed Pursuant to Section 301.9100-2." No request for a letter ruling is required to obtain an automatic extension.

**Line 3.**—See Regulation sections 301.9100-1 and 301.9100-3 for information about a discretionary extension beyond the 27-month period. Under this regulation, the IRS will allow an organization a reasonable extension of time to file a Form 1024 if it submits evidence to establish that:

(a) It acted reasonably and in good faith, and

(b) Granting relief will not prejudice the interests of the government.

**Showing reasonable action and good faith.**—An organization acted reasonably and showed good faith if at least one of the following is true.

1. The organization filed its application before the IRS discovered its failure to file.

2. The organization failed to file because of intervening events beyond its control.

3. The organization exercised reasonable diligence but was not aware of the filing requirement.

To determine whether the organization exercised reasonable diligence, it is necessary to take into account the complexity of filing and the organization's experience in these matters.

4. The organization reasonably relied upon the written advice of the IRS.

5. The organization reasonably relied upon the advice of a qualified tax professional who failed to file or advise the organization to file Form 1024. An organization cannot rely on the advice of a qualified tax professional if it knows or should know that he or she is not competent to render advice on filing exemption applications or is not aware of all the relevant facts.

**Not acting reasonably and in good faith.**—An organization has not acted reasonably and in good faith if it chose not to file after being informed of the requirement to file and the consequences of failure to do so.

Furthermore, an organization has not acted reasonably and in good faith if it used hindsight to request an extension of time to file. That is, if after the original deadline to file passes, specific facts have changed so that filing an application becomes advantageous to an organization, the IRS will not ordinarily grant an extension. To qualify for an extension in this situation, the organization must prove that its decision to file did not involve hindsight.

### No prejudice to the interest of the

**government.**—Prejudice to the interest of the government results if granting an extension of time to file to an organization results in a lower total tax liability for the years to which the filing applies than would have been the case if the organization had applied on time. Before granting an extension, the IRS may require the organization requesting it to submit a statement from an independent auditor certifying that no prejudice will result if the extension is granted.

**Procedure for requesting extension.**—To request a discretionary extension, an organization must submit the following with its Form 1024.

• A statement showing the date Form 1024 should have been filed and the date it was actually filed.

• An affidavit describing in detail the events that led to the failure to apply and to the discovery of that failure. If the organization

relied on a qualified tax professional's advice, the affidavit must describe the engagement and responsibilities of the professional and the extent to which the organization relied on him or her.

- All documents relevant to the election application.
- A dated declaration, signed by an individual authorized to act for the organization, that includes the following statement: "Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete." The individual who signs for the organization must have personal knowledge of the facts and circumstances at issue.
- A detailed affidavit from individuals having knowledge or information about the events that led to the failure to make the application and to the discovery of that failure. These individuals include accountants or attorneys knowledgeable in tax matters who advised the organization concerning the application. Any affidavit from a tax professional must describe the engagement and responsibilities of the professional as well as the advice that the professional provided to the organization. The affidavit must also include the name, current address, and taxpayer identification number of the individual making the affidavit (the affiant). The affiant must also forward with the affidavit a dated and signed declaration that states: "Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete."

The reasons for late filing should be specific to your particular organization and situation. Regulation section 301.9100-3 (see above) lists the factors the IRS will consider to determine if good cause exists for granting a discretionary extension of time to file the application. To address these factors your response on line 3 should provide the following information:

1. Whether the organization consulted an attorney or accountant knowledgeable in tax matters, or communicated with a responsible IRS employee (before or after the organization was created), to ascertain the organization's Federal filing requirements and, if so, the names and occupations or titles of the persons contacted, the approximate dates, and the substance of the information obtained;
2. How and when the organization learned about the 15-month deadline for filing Form 1024;
3. Whether any significant intervening circumstances beyond the organization's control prevented it from submitting the application timely or within a reasonable period of time after it learned of the requirement to file the application within the 15-month period; and

4. Any other information that you believe may establish reasonable action and good faith and no prejudice to the interest of the government for not filing timely or otherwise justify granting the relief sought.

A request for relief under this section is treated as part of the request for the exemption determination letter and is covered by the user fee submitted with Form 8718.

**Line 4.**—If you answer "No," the organization may receive an adverse letter limiting the effective date of its exempt status to the date its application was received.

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

The organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of the Form 1024 application are covered in Code section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing and sending the form to the IRS
1024, Parts I-III	53 hr., 5 min.	2 hr., 17 min.	3 hr., 15 min.
Part IV	1 hr., 12 min.	35 min.	52 min.
Sch. A	2 hr., 52 min.	18 min.	21 min.
Sch. B	1 hr., 40 min.	18 min.	20 min.
Sch. C	58 min.	12 min.	13 min.
Sch. D	4 hr., 4 min.	18 min.	22 min.
Sch. E	1 hr., 40 min.	18 min.	20 min.
Sch. F	2 hr., 23 min.	6 min.	8 min.
Sch. G	1 hr., 55 min.	6 min.	8 min.
Sch. H	1 hr., 40 min.	6 min.	8 min.
Sch. I	5 hr., 30 min.	30 min.	37 min.
Sch. J	2 hr., 23 min.	6 min.	8 min.
Sch. K	3 hr., 21 min.	6 min.	10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the application to this address. Instead, see **Where To File** on page 1.

# Procedural Checklist

## Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application for the organization to resubmit with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

### Have you . . .

- \_\_\_\_\_ Attached **Form 8718** (User Fee for Exempt Organization Determination Letter Request) and the appropriate fee?
  - \_\_\_\_\_ Prepared the application for mailing? (See **Where To File** addresses in Form 8718.)
  - \_\_\_\_\_ Completed all Parts and Schedules that apply to the organization?
  - \_\_\_\_\_ Shown your organization's **Employer Identification Number (EIN)**?
    - a. If your organization has an EIN, write it in the space provided.
    - b. If this is a newly formed organization and does not have an Employer Identification Number, obtain an EIN by telephone. (See Specific Instructions, Part I, Line 2, on page 2.)
  - \_\_\_\_\_ If applicable, described your organization's **specific activities** as directed in Part II, question 1 of the application?
  - \_\_\_\_\_ Included a **conformed copy** of the complete organizing instrument? (Part I, question 8 of the application.)
  - \_\_\_\_\_ Had the application signed by one of the following:
    - a. An officer or trustee who is authorized to sign (e.g., president, treasurer); **or**
    - b. A person authorized by a power of attorney (submit Form 2848 or other power of attorney)?
  - \_\_\_\_\_ If applicable, enclosed **financial statements** (Part III)?
    - a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.
    - b. Detailed breakdown of revenue and expenses (no lump sums).
    - c. If the organization has been in existence less than 1 year, it must also submit proposed budgets for 2 years showing the amounts and types of receipts and expenditures anticipated.
- Note:** *During the technical review of a completed application, it may be necessary to contact the organization for more specific or additional information.*

**Do not send this checklist with the application.**