

ADDENDUM

Please note the following changes affecting Prepare Your Own 501(c)(3) Application:

1. On September 9, 2008, the IRS issued new regulations eliminating the "Advance Ruling" for new publicly supported 501(c)(3) organizations. A public charity relying on either of the "one-third" public support tests no longer needs to complete a tax year that is at least eight months long before receiving a final determination that it is publicly supported.

If a new organization can show that it can reasonably expect to meet a public support test, the IRS organization will recognize it as a public charity for all purposes for its first five years, regardless of the level of public support it in fact receives. The IRS will process exemption applications in their current inventory and all new applications under the new rules. IRS has posted guidance for completing Form 1023 under the new rules on [this page](#) of their website.

Financial Data [Chapter 13 - Part IX - Financial Data] Although the IRS instructions for financial data have changed, the guidelines set forth on page 66 of Prepare Your Own will still help you prepare the statements the IRS needs.

Part X [Chapter 14 - Part X - Public Charity Status - Question 6] My guess is that box a in Part X - Question 6 will be eliminated from future forms. Indeed, the new IRS instructions say "Do not complete line 6a on page 11, and do not sign the statute extension clause (under heading organization 'Consent Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code')." According to the IRS website, an organization should only complete line 6b and line 7 on page 11 if the organization has existed for five or more tax years.

Handbook topic - Advance Ruling Follow Up - Advance Rulings have been eliminated.

Application forms and instructions will be revised to incorporate the new requirements. (The IRS website currently says that the target date for the revised Form 1023 is October 29, 2010.)

ADDENDUM, cont.

2. There has been a minor change in the address where you should send your application:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

3. On page v, I mention that the IRS once estimated that it would issue a new Form 1023 in February of 2009. They did not do this, and now estimate that a new Form 1023 will be issued in October of 2010. To double check this yourself, visit the [Tax Product Posting Schedule](#).