

# ***EOTS NewsFlash***

Exempt Organizations Tax Services

September 20, 2012

## *IRS expected to send compliance questionnaires to sample of group exemption central organizations*

Central organizations holding non-church group exemption letters may soon receive a questionnaire from the IRS asking for in-depth information regarding their involvement with and oversight of their subordinate organizations.

Speaking at a recent American Bar Association conference in Boston, Massachusetts, Lois Lerner, IRS Director of Exempt Organizations, explained that the IRS expects to send the questionnaire by October 15 to approximately 2,000 randomly selected central organizations that hold non-church group exemption letters. The focus of the questionnaire will be on the activities and oversight conducted by central organizations with respect to their subordinate organizations, with an emphasis on annual Form 990 compliance requirements.

The questionnaire, which was previously announced in February 2012 in the IRS Exempt Organizations ("EO") FY 2012 Work Plan, marks the continuation of EO's broader interest in group exemption issues. In the FY 2012 Work Plan, the IRS explained that the questionnaire would explore the practices used by the central organization to meet the requirements of Revenue Procedure 80-27 and would include questions about the methods used to satisfy annual filing requirements. Rev. Proc. 80-27 sets forth procedures under which tax exemption under section 501(c) of the Internal Revenue Code may be obtained on a group basis. The FY 2012 Work Plan also indicated that EO intended to expand its educational efforts for group ruling members in light of its experience with issues pertaining to group exemption holders and the auto-revocation process under IRC section 6033(j).

The questionnaire is expected to be sent to recipients in electronic form, and a sample copy of the questionnaire is expected to be posted to the IRS website, IRS.gov.

Click [here](#) to access PwC's NewsFlash discussing the FY 2012 Work Plan.

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