

FREQUENTLY ASKED QUESTIONS

(All documents mentioned can be found at <https://www.dav.org> by following either of the paths below:

- A. Membership → Members Only → Login with membership number → Quick Links → IRS Reinstatement
- B. Membership → Members Only → Login with membership number → IRS Reinstatement)

- 1. What are the practical consequences of the revocation of an exemption?**
 - a. Income becomes taxable
 - b. Chapter cannot engage in any fundraising
 - c. No distributions from national organization
 - d. If unresolved, loss of DAV charter
- 2. Where do we start in getting our exemption back?**
 - a. Determine which Retroactive Reinstatement category your organization falls under (see Automatic Revocation-How to Have Your Tax-Exempt Status Retroactively Reinstated or Revenue Procedure 2014-11)
 - b. Follow procedure for appropriate category (see Automatic Revocation-How to Have Your Tax-Exempt Status Retroactively Reinstated or Revenue Procedure 2014-11)
- 3. How much will this cost us?**
 - a. Currently \$600.00 but is subject to change. Information can be found at www.irs.gov/Form8718
 - b. See Instructions for Form 1024-A as well as Form 8718 for info on fees
- 4. When do we get our DAV distributions?**
 - a. Distributions will be made when subordinate unit presents proof to National that revocation was in error OR
 - b. When subordinate unit provides to National a copy of its IRS determination letter or other written IRS documentation confirming that tax-exemption has been reinstated
- 5. What do we do if IRS made a mistake?**
 - a. See SAMPLE – DAV Notice of Loss of Tax-exemption for procedures
 - b. IRS and DAV will require proof that organization made appropriate filings
- 6. Why do we have to go through this if we are part of the group exemption?**
 - a. Each chapter/department must still comply with IRS regulations
 - b. Once revoked, a chapter/department is not part of the group exemption
- 7. When we get the exemption back will we be part of the group exemption again?**
 - a. Not initially. However, upon notification of reinstatement of tax-exemption, a request by National to add subordinate unit back to the DAV group exemption will be submitted to IRS
 - b. No chance to be part of the group exemption without restoration of individual exemption
- 8. Since we are applying for tax exemption, isn't this our chance to become a 501(c)(3) or a 501(c)(19)?**
 - a. Will automatically revert back to 501(c)(4) when added back to the DAV group exemption.
 - b. Unlikely that a department/chapter could qualify as a (c)(3)
- 9. The Form 1024-A replaces Form 1024 for organizations applying for reinstatement of tax-exemption as a 501(c)(4).**
 - a. Form 1024-A is the application to be used by organizations that are required to apply for reinstatement after having been auto-revoked and are applying for a 501(c)(4) exemption
 - b. Follow the Instructions for Form 1024-A
 - c. Don't forget to file the Form 8718 and the application fee with the Form 1024-A
 - d. Make sure to send the application to the right place (see Automatic Revocation-How to Have Your Tax-Exempt Status Retroactively Reinstated or Revenue Procedure 2014-11)
- 10. How long will this take?**
 - a. IRS will not issue a reinstatement for several months
 - b. The process will be longer for organizations that do not follow all instructions (see Top Ten Tips to Shorten the Tax-Exempt Application Process)
 - c. Good standing in DAV is restored upon receipt of written IRS documentation proving that revocation of tax-exemption was in error OR upon receipt of copy of IRS determination letter/written IRS documentation confirming that tax-exemption has been reinstated