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