

## FREQUENTLY ASKED QUESTIONS

(All documents mentioned can be found at <http://www.dav.org/membership/members/IRSRevocation.aspx>)

- 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. \$400 or \$850, depending on size
  - b. See Instructions for Form 1024 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 DAV Letter to Revoked Departments/Chapters 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. To be reinstated into the DAV group exemption, chapter/department must file as a 501(c)(4)
  - b. Unlikely that a department/chapter could qualify as a (c)(3)
- 9. The Form 1024 is enormous - what are we supposed to do with it?**
  - a. The Form 1024 on the website noted above has been pared down to include only the pages that a DAV entity needs to file. You need not go to the IRS website for the complete form
  - b. Follow the Instructions for Form 1024 for the pages included
  - c. Don't forget to file the Form 8718 and the application fee with the Form 1024
  - 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) and mark the envelope correctly (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
  - 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