

amounted to more than 10%, you can still claim recognition under the facts and circumstances test by making your case in a written statement and attaching that to the form.

When applying for an advance ruling, you should familiarize yourself with the follow-up process and set up an appropriate record-keeping system; one that will capture all the data needed to successfully complete the process five years later.

Adverse Determinations

If the IRS decides to deny the exemption, the organization is notified before the determination is finalized. The organization may generally supplement its application with additional information to try to correct the problem. If the IRS does issue a final adverse determination, then the organization may appeal the decision to the IRS Appeals Office or, if appropriate, IRS Headquarters. Once the organization has exhausted its administrative appeals, it may, subject to numerous requirements, file an appeal in the federal courts.

