

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Mail Stop 1112, PO Box 9941
Ogden, UT 84409

VETERANS OF FOREIGN WARS DEPT OF MICHIGAN
924 NORTH WASHINGTON
LANSING MI 48906

DATE OF THIS NOTICE:
May 7, 2010

Dear Sir or Madam:

This year, for the first time, organizations that have failed to file an annual 990-series return or notice for three consecutive years will automatically lose their tax-exempt status. That includes group ruling holders and their subordinate organizations. We ask for your help to make sure that no organization unintentionally throws away its tax-exempt status.

Beginning in May 2010, tax-exempt organizations that have not filed a required 990-series form for three consecutive years will automatically lose their tax-exempt status. Tax-exempt organizations, other than churches or church-related organizations, must file a Form 990, 990-EZ, 990-N (ePostcard) or 990-PF (for private foundations) with the IRS. This includes:

- a parent or central organization holding a group ruling, and
- any subordinate organizations that are not included in the annual return filed by a parent or central organization of a group of affiliated organizations.

Please feel free to inform your subordinates using IRS materials that explain these requirements. You can post a link from your Web site, social media pages or other online channels to www.irs.gov/eo, or use our resource materials when creating your own print, audio and Web communications.

We also encourage you and your subordinates to sign up for the *EO Update*, Exempt Organizations' free e-mail newsletter.

When the Returns are Due

The returns are due by the 15th day of the fifth month after the close of an organization's tax year. For example, if an organization's tax year closes on December 31, its return is due by the following May 15.

Consequences of Not Filing

An organization that does not file its required, annual information form for three consecutive years AUTOMATICALLY loses its tax-exempt status. That means it must file Form 1120, *U.S. Corporation Income Tax Return* or a Form 1041, *U.S. Income Tax Return for Estates and Trusts*, and may need to pay income taxes. In addition, an organization that automatically loses its section 501(c)(3) status can no longer receive tax-deductible charitable contributions.

Where to Go for More Help

We've put information about which 990-series form to file and a set of FAQs that explains how this filing requirement affects you and your subordinate organizations on www.IRS.gov/eo. Look for the topic titled, "*Exempt Organizations: Status Revoked for not Filing Annual Return or Notice.*" If you cannot find the information you need, call our toll-free number at (877) 829-5500.

Sincerely,



Lois G. Lerner

Director Exempt Organizations