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October 21, 2010

Mr. Gerald Shields
Internal Revenue Service
Room 6129
1111 Constitution Avenue NW
Washington, DC 20224

**Re: Comment Request for Form 1023
OMB Number 1545-0056**

Dear Mr. Shields:

This letter responds to the request for paperwork reduction comments, OMB number 1545-0056 ("Request"), regarding Form 1023, the application for recognition of exemption under section 501(c)(3) of the Internal Revenue Code.

We are writing on behalf of www.CharitablePlanning.Com ("CPC") to express particular concerns about Form 1023 in its present configuration as it applies to Section 509(a)(3) supporting organizations ("SOs") and to donor advised funds ("DAFs"). CPC is a destination website devoted to charitable giving, with a focus on the tools and techniques to best achieve gifts to charity. The authors of this letter are writers and editors for the site. CPC is affiliated with Kallina & Associates, LLC, a law firm that represents clients subject to the application procedures discussed in these comments. However, neither CPC nor Kallina & Associates, LLC has been engaged by a client to make a submission with respect to, or otherwise influence the development or outcome of, the specific subject matter of these comments.

The Request suggests that an applicant will typically spend upwards of one hundred hours completing the Form 1023. In the context of SOs and DAFs, this estimate is significantly understated, but the concerns we primarily want to address in this letter relate more to the scope of information requested on the form.

Specifically, an applicant for exempt status as an SO or DAF can expect that the Form 1023 is just the tip of an iceberg. In the guidesheets incorporated in IRM 7.20.7 and 7.20.8 ("Guidesheets"), the IRS has greatly expanded the range of threshold questions that will be asked in every case. These questions amount to regulatory interpretations of the statute, which have not undergone a formal process of proposed rulemaking with opportunity for public input.

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Portions of these interpretations have appeared in an advance notice of proposed rulemaking, which was published more than three years ago, but not finalized.

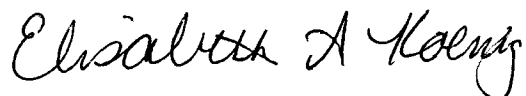
For example, questions of "control" of an SO based on a disqualified person holding a "substantial" interest in property in which the SO also has an interest have not been subjected to a public comment process. The Guidesheets recite that these questions are "suggested" by Treas. Reg. §1.509(a)-4(j), but of course that Regulation relates to control of the SO itself, not to control of a corporation, partnership, limited liability company, or other assets in which the SO also has an interest.

In short, as a practical matter, an applicant for exempt status as an SO or as a DAF should expect to face a second set of questions as part of the application process, requiring substantial time to prepare responses. These questions are not disclosed on the face of the Form 1023, the additional hours are not indicated in the Paperwork Reduction Act notice, and most importantly there is no opportunity to comment on the appropriateness of these additional questions.

It is difficult for practitioners to comment on prerequisites for approval that are not part of the Form. Further, failure to allow public comment on these additional questions in the Guidesheets allows the IRS effectively to issue additional regulatory requirements for SOs and DAFs to obtain tax exempt approval without review.

We urge IRS to embark on a process of incorporating the Guidesheets' questions into a revised Form 1023, thereby allowing public input into the appropriateness of these questions and lending transparency to the application process.

Sincerely,



Elisabeth A. Koenig
Reviewing and Contributing Editor



Russell A. Willis III
Current Events Editor

cc: Mr. Joel P. Goldberger, via e-mail to Joel.P.Goldberger@irs.gov
