



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
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MEMORANDUM FOR ALL EO EXAMINATIONS MANAGERS,
ALL EO EXAMINATIONS REVENUE AGENTS

FROM: Nanette M. Downing /s/ *Nanette M. Downing*
Director, EO Examinations

SUBJECT: Verification of Statutory Membership Requirements of
Veterans' Organizations

This memorandum revises examination guidelines for tax-exempt veterans' organizations described in section 501(c)(19) of the Internal Revenue Code (IRC) by eliminating an agent's discretion to request DD Forms 214 at the outset of examinations for the purpose of determining whether the organization meets statutory membership requirements.

IRC sections 501(c)(19) and 170(c)(3) provide statutory membership requirements for certain tax-exempt veterans' organizations. Compliance with these requirements has a direct effect on the qualification for tax-exempt status and the deductibility of contributions.

In order to confirm whether a veterans' organization meets statutory membership requirements, [IRM 4.76.26.12\(1\)](#) provides that examining agents may request, among other documents, DD Forms 214, *Certificate of Release or Discharge from Active Duty*, of veterans' organizations. DD Form 214 is a military service discharge certificate issued to veterans, providing proof of military service. However, DD Form 214 also contains private information, such as medical information.

Effective immediately, if an agent needs to determine the composition of membership of a veterans' organization, the agent shall *initially* request and collect from the organization four sets of documents, as follows:

1. Membership list(s) that contain the names of the members, the military service dates, and the status of each individual member. This status information is to indicate whether the member is active duty, veteran, cadet, or spouse. The organization may provide list(s) from its affiliated parent organization.
2. A document that shows the dues structure and classes of memberships.
3. The documentary information used by the organization to create the membership list(s) noted above. Organizations should be informed that to satisfy this request they may provide membership applications, membership cards, or other similar documents, *other than* DD Form 214.
4. Documents showing the organization's policies and procedures on how it decides an individual is eligible for membership, including documents which show the means by which it enforces its membership requirements.

If an agent possesses information that contradicts documentary information provided or if the organization fails to satisfy a reasonable request, agents may *then* request DD Forms 214 or other discharge documents from the organization in order to ascertain compliance with the federal tax laws cited herein. DD Forms 214 must include the name, department, component and branch of service, and record of service dates. All other personal information may be redacted.

The contents of this memorandum will be incorporated in [IRM 4.76.26](#).

Please submit your questions to Mandatory Review via [*TEGE EO Review Staff](#).

cc: IRS.gov