

The IRS Approval Process

The IRS approval process was not trivial and took almost 2 years to complete. It was first submitted in December of 2003 and finally approved in October of 2005. Normally it takes only 90-120 days to get approved but we hit a snag at the normal levels so it was referred to the Washington office where they process the hard to decide cases.

It sat there for a long time waiting to be processed. It's a first in first out system and we just had to wait a year to make it to the top of the pile. The IRS is understaffed and overworked in this division and they have had added duties processing the net 521 political organizations and auditing Muslim charities to see if they are raising money for terrorist organizations.

Although I had some paranoid thoughts, as it turned out what the Church of Reality believed in was never an issue. The sticking point was if we were a church as the IRS defines it. They are not comfortable with web based churches and in their minds a church is a building where people show up weekly and where weddings and funerals are performed and there are youth programs and religious education. Although we hope to have that someday, we aren't there yet. So I changed the application to be a charitable organization which got rid of the church test and it sailed right through.

Throughout the process the IRS was very respectful and very helpful. One of the examiners, Ray Sealy, passed away during the processing of this application. Ray was a good man who served the IRS well for over 30 years. Many of his questions inspired a lot of web pages on this site in order to answer questions raised about what it is we believe in. If not for the IRS application process, much of what has been developed here might not have been. So other than the amount of time it took, I have no complaints with the process. One agent even commented that he thought it was one of the most interesting applications he's reviewed.

This doesn't mean that we aren't a church. It just means that we fit the IRS definition of a charitable organization better than their church definition. For all practical purposes it is the same except we have to file one more form every year if we raise more than \$25,000 in a year. So far that's not an issue. And charitable organizations are subject to higher level of scrutiny than churches - but that isn't a problem either because we are totally clean on the money end.

Being tax deductible should help because saving money while giving is an incentive to give more. It also fosters the impression of legitimacy in people's minds that we are somewhat "government certified". On the other hand that scares some people as well. I don't see it as a problem and if it becomes a problem we'll come up with a different plan.