

## **[Archived] 4. IRS Announces Delay in New Tool for Groups Seeking Charity Status \* Chronicle of Philanthropy**

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### **Chronicle of Philanthropy**

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#### **IRS Announces Delay in New Tool for Groups Seeking Charity Status**

By Grant Williams

The Internal Revenue Service has announced a delay until next year in its release of a new Web-based software program that is designed to help nonprofit groups prepare "complete and accurate" applications for charity status.

The delay for the software program, which is called Cyber-Assistant, means that a reduced fee for charity-status applications will not be available until 2011. The IRS said last year that the software program would be ready in 2010

Currently the tax agency charges a fee of \$850 for applications by organizations with annual gross receipts that average more than \$10,000 in the four years before they apply or for applications by new groups that anticipate such receipts in their first four years.

Organizations with actual or anticipated annual gross receipts of \$10,000 or less are required to pay \$400.

The IRS has said that it will offer lower fees to groups that use Cyber-Assistant to prepare their applications, called the Form 1023, in part because the quality and consistency of the applications will improve.

Organizations that use Cyber-Assistant to file their applications will be charged \$200 regardless of their size. Organizations that do not use Cyber-Assistant will be required to pay \$850 regardless of size.

"Unfortunately, software testing has revealed some problems requiring correction prior to public launch, and the IRS must delay the release of Cyber-Assistant beyond this calendar year," the tax agency said in a statement.

"Accordingly," the statement said, "the IRS will continue to accept and process all applications using our existing processes, and the current user fees will remain in effect for this calendar year."

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