



**DEPARTMENT OF THE TREASURY**  
**INTERNAL REVENUE SERVICE**  
**WASHINGTON, D.C. 20224**

August 9, 2013

MEMORANDUM FOR SENIOR MANAGERS, EO: RULINGS AND AGREEMENTS

FROM: Karen Schiller  
Acting Director, EO Rulings and Agreements

SUBJECT: Determinations Classification Process

In recent months, numerous changes have been made to our initial screening process for preliminary categorization and case referrals. I wanted to take a moment to reiterate the current policy and touch on some of our current efforts to continuously improve this process.

As Acting Commissioner Danny Werfel has said, the IRS has taken decisive action to eliminate the use of inappropriate political labels in the screening of 501(c)(4) applications. IRS policy is now clear that screening is based on activity, not words in a name. The new steps and current policies were outlined in the June 24 report, which noted: "In the absence of BOLO lists, the Determinations Unit will continue to screen for information affecting the determination of applications for tax exempt status, including activity tied to political campaign intervention, but it will be done without regard to specific labels of any kind." The 30-day report also reflects the June 20, 2013, memorandum, which was issued to officially suspend the use of the BOLO list in the screening process.

Also, as you are aware, the Lean Six Sigma team has been working to identify several potential process improvements and will be working in the coming weeks to develop potential improvements to the screening process. These ideas will be piloted and subsequently evaluated to ensure they provide the necessary safeguards in the process while providing benefits to the overall efficiency and success of the screening efforts. I would ask you continue to keep your ideas and suggestions coming to the team for consideration as we continue to improve our screening and application review processes.

Thanks again for your continued dedication and hard work.