



FOR IMMEDIATE RELEASE

CIVIL AIR PATROL NATIONAL HEADQUARTERS

Citizens Serving Communities

Julie DeBardelaben ♦ Deputy Director, Public Affairs ♦ W: 877-227-9142, ext. 250 ♦ C: 334-549-2224

Steve Cox ♦ Public Affairs Manager ♦ W: 877-227-9142, ext. 251 ♦ C: 334-296-5881

www.qocivilairpatrol.com



December 22, 2011

Civil Air Patrol restored to IRS nonprofit list

MAXWELL AIR FORCE BASE, Ala. – After more than six months of effort, Civil Air Patrol and the national Taxpayer Advocate Service have managed to correct CAP's mistaken removal from the Internal Revenue Service's list of nonprofit organizations to which contributions are tax-deductible.

CAP was mistakenly removed from the list while working with the IRS to consolidate the Tax Identification Numbers formerly in existence for each of more than 1,600 squadrons across the nation. With CAP's Wing Banker Program, financial information for squadrons is consolidated with that for wings, which in turn is consolidated with National Headquarters to produce one Civil Air Patrol consolidated financial statement and audit.

NHQ began working in September 2010 with a tax attorney to consolidate the various taxpayer numbers into a single organization-wide number to coordinate with CAP's single financial statement.

The project continued through April, when the IRS confirmed that the merging process had been carried out. That process was accidentally taken one step too far, however, and along with the individual units' former identification numbers, NHQ's own number disappeared as well. The mistake was discovered in May.

Complicating matters was the fact that three years earlier the IRS had changed its reporting requirements for nonprofits, giving organizations until this year to comply with the new standards or be removed from its listings. As a result, the IRS revoked the tax exempt status for many nonprofits and removed them from its list – a relatively commonplace occurrence during 2011. While CAP was not on the IRS list of revoked organizations, it was missing from the list of current charitable organizations.

That meant that units' and wings' applications for grants were jeopardized. Those seeking grants had to obtain an IRS letter verifying CAP's eligibility as a tax-exempt organization – assuming they could do so by the time the deadline for such grant applications had elapsed.

After efforts to correct the error directly with the IRS led to no results, in July CAP's Financial Management office requested the assistance of the federal Taxpayer Advocate Service. Working with the taxpayer advocate service finally paid off Dec. 15 with CAP's inclusion in the IRS' "Additions to Publication 78" <<http://www.irs.gov/charities/article/0,,id=96291,00.html>> -- identified by the IRS as "a listing of organizations to which contributions are tax deductible, but whose

names were unable to be included in the latest electronic version of Publication 78, the roster of qualified nonprofits.

All entities on the additions list, including CAP, are scheduled to appear in IRS Publication 78 next quarter.

Civil Air Patrol, the official auxiliary of the U.S. Air Force, is a nonprofit organization with more than 61,000 members nationwide, operating a fleet of 550 aircraft. CAP, in its Air Force auxiliary role, performs 90 percent of continental U.S. inland search and rescue missions as tasked by the Air Force Rescue Coordination Center and was credited by the AFRCC with saving 54 lives in fiscal year 2011. Its volunteers also perform homeland security, disaster relief and drug interdiction missions at the request of federal, state and local agencies. The members play a leading role in aerospace education and serve as mentors to nearly 27,000 young people currently participating in the CAP cadet programs. CAP received the World Peace Prize in 2011 and has been performing missions for America for 70 years. CAP also participates in Wreaths Across America, an initiative to remember, honor and teach about the sacrifices of U.S. military veterans. Visit www.gocivilairpatrol.com or www.capvolunteernow.com for more information.