

Form 1023-EZ Update Report

Executive Summary

On July 1, 2014, IRS developed and released Form 1023-EZ, a simplified electronic application form for smaller organizations to request and obtain exemption for federal income tax as an organization described in Internal Revenue Code section 501(c)(3). After two years of availability and use, the form continues to reduce taxpayer burden and increase cost effectiveness of the Exempt Organizations (EO) operations.

The impact of the form is dramatically reflected in continuing improvement in Customer Satisfaction Survey results. Overall EO customer satisfaction increased to 84% from 77% at the end of the prior fiscal year, while the customer dissatisfaction decreased to 4% from 7%. Further, the average processing time for the form has been 14 days, as compared to the average processing time of 97 days for the traditional, longer Form 1023.

To mitigate the risks associated with the streamlined form, EO performs predetermination compliance checks on a statistically valid sample¹ of the Form 1023-EZ applications filed. Based on the responses from these checks, 79% of the reviewed applications are approved, while the others have been rejected, primarily due to the applicant's ineligibility to use the form. Of the rejected applicants that reapplied using another form, 89% were ultimately approved for exemption. Overall, 94% of all Forms 1023-EZ closed to date have been approved, down slightly from 95% in the first year.

As discussed in the report, EO continues to analyze usage data and has taken steps to correct or mitigate identified issues. The current cumulative rejection rate for failure to provide additional information is 3% of the total Form 1023-EZ rejections, down from 6% in the first year. This rejection rate is comparative to the Failure to Establish closure rate of approximately 2.4% for Form 1023 applications.

Due to the efficiencies gained through the Form 1023-EZ, EO realigned 31 determination agents to EO:Examinations. This allows EO to put greater resources in examining organizations after they have become operational. In January 2016, EO began a post determination compliance program for Form 1023-EZ applicants by conducting correspondence audits of organizations that received a determination letter after filing the Form 1023-EZ. Because few of these audits have been closed, no conclusions can be drawn yet, but IRS will use the findings from this compliance program to identify compliance risks in this population as well as opportunities to further improve and modify the Form 1023-EZ and processes.

Finally, IRS conducted an analysis of Form 1023 applicants to determine if any would have been eligible to use the Form 1023-EZ. The results revealed 22% met the eligibility requirements for using Form 1023-EZ, so IRS will consider publishing additional educational material to clarify application options and eligibility requirements.

¹ The predetermination sampling can be projected to the Form 1023-EZ applicant population with 95% confidence of being within + or - 2.7 percentage points of the true population proportion.

Background

In early 2014, the IRS Tax Exempt/Government Entities (TE/GE) Exempt Organizations (EO) Division developed Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, to simplify the application process for smaller organizations, allowing resources to focus on applications that are more complex and to be deployed to compliance programs. The electronic Form 1023-EZ was developed and released for use on July 1, 2014. Initial analysis of the Form 1023-EZ process, as described in the *Form 1023-EZ First Year Report*, indicated it increased cost effectiveness while reducing taxpayer burden. This report provides updated information following Form 1023-EZ's second year in use and includes information regarding the recently implemented post determination compliance program.

Overall IRS Experience in Processing the Form 1023-EZ

Organizations responded positively to the form, as reflected in the most recent Customer Satisfaction Survey results discussed below. The ease of processing the form has allowed the IRS to maintain an average processing time of 14 days. From implementation on July 1, 2014, through June 24, 2016, EO received 87,954 Forms 1023-EZ, about 55% of the aggregate Forms 1023 and Forms 1023-EZ received during that period. On July 1, 2016, following a biennial user fee review, the user fee for the Form 1023-EZ application was reduced from \$400 to \$275. It is anticipated that this recent reduction of the user fee will contribute to an increase in the adoption rate of the Form 1023-EZ among eligible applicants seeking exemption. Table 1 shows the number of Forms 1023 and Forms 1023-EZ filed during each period and the increase in the adoption rate of Form 1023-EZ.

Table 1
Form 1023 and Form 1023-EZ Receipts
July 2014 – June 2016

Fiscal Year	Form 1023	Form 1023-EZ	Total	Adoption Rate
FY2014 (7/1/2014 to 9/26/2014)	11,793	9,533	21,326	44.7%
FY2015 (9/27/2014 to 9/25/2015)	36,844	44,872	81,716	54.9%
FY2016 (9/26/2015 to 6/24/2016)	24,779	33,549	58,328	57.5%
Total	73,416	87,954	161,370	54.5%

The positive reception and impact of the Form 1023-EZ is reflected in the Customer Satisfaction Survey results from October 2014 through September 2015. The survey is administered to a random sample of organizations that have experienced the EO determinations process, and results are received semi-annually. The overall satisfaction ratings, as well as the satisfaction level in each rating area, increased for April 2015 through September 2015 (compared to the prior period), with the overall satisfaction with Form 1023-EZ at 89%. Form 1023-EZ ratings showed significant improvement in customer satisfaction with IRS communications, ease of completing the application, and the time it took the IRS to contact the applicant.

Table 2 shows a comparison of the survey ratings received from users of Form 1023-EZ as well as the regular Form 1023.

**Table 2
Customer Satisfaction Survey Results**

EO Determinations Customer Satisfaction	Oct 2014 – Mar 2015 Form 1023-EZ	Oct 2014 – Mar 2015 Form 1023	Apr 2015 - Sep 2015¹ Form 1023-EZ	Apr 2015 – Sep 2015¹ Form 1023
Overall Satisfaction	87%	72%	89%	81%
Satisfaction with:				
Length of process	86%	55%	89%	62%
IRS communication	73%	62%	80%	72%
Ease of understanding application	69%	53%	72%	59%
Ease of completing application	74%	49%	80%	51%
Time spent completing application	73%	41%	80%	46%
Promptness of receiving acknowledgement	85%	62%	89%	69%
Clarity of acknowledgement letter	79%	67%	82%	73%
Time it took IRS to contact you	78%	61%	87%	69%
Ease of understanding determination letter	90%	83%	91%	91%
Overall Dissatisfaction	4%	10%	3%	5%

¹ The Customer Satisfaction Survey was not conducted in FY 2016 due to expiration of the existing vendor contract.

Table 3 lists the most predominant types of organizations using the EZ process, based on the National Taxonomy of Exempt Entities (NTEE) codes provided by the applicants. The predominant types of organizations using the Form 1023-EZ have remained relatively consistent since implementation.

**Table 3
Predominant Organization Types – Overall**

Rank	Prior Rank	NTEE code	NTEE Description	NTEE Counts
1	4	P20	Human Service Organizations	3,238
2	2	X20	Christian	3,024
3	1	O50	Youth Development Programs	2,960
4	3	D20	Animal Protection & Welfare	2,691
5	5	B94	Parent Teacher Groups	2,133

Inventory Data

The figures in Table 4 represent 100% of the Form 1023-EZ applications received and closed since July 1, 2014, and through June 24, 2016. The average hours represent the actual amount of time documented to work each case. Cycle time is calculated as a 12-month rolling average and refers to the number of days

from the application submission date until the determination letter mailing date. Exempt Organizations has approved 94% of the Form 1023-EZ applications closed to date.

Table 4
1023-EZ Applications Overall Statistical Analysis

	FY2014 7-1-14 to 9-26-14	FY2015 9-27-14 to 9-25-15	FY2016 9-26-15 to 6-24-16	Combined
Receipts	9,533	44,872	33,549	87,954
Closures	6,972	46,212	33,973	87,157
Denials ¹	0	0	5	5
Approvals ²	6,590	43,826	31,905	82,321
Rejections ^{3,4}	356	2,092	1,704	4,152
Other ⁵	26	294	359	679
Avg Hours	0.6	0.5	0.5	0.5
Cycle Time⁶ (Days)	N/A	12	14	N/A

¹ An organization's application can be approved, rejected or denied. An organization's application for exempt status is denied if the IRS determines that the organization does not meet the organizational or operational test. Such organizations have the right to appeal the proposed denial to the Office of Appeals.

² The FY2014 data was restated for a processing correction made in FY 2015 that resulted in 6,590 FY 2014 approvals rather than 6,591 as reported in the *Form 1023-EZ First Year Report*.

³ A submitted application that is not complete is not accepted for processing and is classified as "rejected". An organization that has its application rejected does not have the right to appeal the rejection. It may resubmit Form 1023-EZ or submit Form 1023.

⁴ The FY 2014 data was restated for a processing correction made in FY 2015 that resulted in 356 FY 2014 rejections rather than the 355 rejections as reported in the *Form 1023-EZ First Year Report*.

⁵ Other closures are withdrawals and duplicate applications.

⁶ Cycle time is computed using a 12-month rolling average so cycle time for FY 2015 and 2016 is reflected for the 12-month periods ending 9/25/15 and 6/24/16, respectively.

Table 5 details the primary rejection reasons for Form 1023-EZ applications. This list is not all inclusive and only includes rejection reasons accounting for 2% or more of total rejections. Comparison with the *Form 1023-EZ First Year Report* shows that the percentage of applications rejected due to Revenue Procedure 2014-11, invalid EIN numbers, or non-responsiveness has decreased from 85% of total rejections to 66%. This is attributed to improvements in the form instructions and implementation of processes to secure valid EINs and encourage responses to additional information requests. Additional improvements to the form instructions, specifically improvements to the eligibility checklist, are in process in an effort to further reduce the number of rejected applications.

Table 5
Overall Rejection Reasons

Rejection Reason	Description	Percentage
Rev. Proc. 2014-11, Sec 4 Requirements Not Met	The Form 1023-EZ submission date is more than 15 months after the date on which the IRS posted the organization's name on EO Select Check. The late submission disqualifies the filer for retroactive reinstatement under this Revenue Procedure provision.	34%
Invalid EIN	Form 1023-EZ is rejected if the applicant submits it with an incorrect EIN and the correct EIN cannot be determined based on IRS records.	29%
Insufficient User Fee	Form 1023-EZ is rejected if the applicant's user fee payment is insufficient. Specifically, the applicant's credit/debit card transaction is declined by the applicant's financial institution.	9%
Ineligible (Church, LLC & Credit Counseling)	Applicant is ineligible to use Form 1023-EZ to apply for tax exemption	4%
No Response to Additional Information Letter	Applicant did not respond to an information letter and the case was rejected as incomplete.	3%
Missing Required Fields ¹	Form 1023-EZ is rejected if the applicant does not complete all of the required fields on the form.	3%
Inaccurate Date of Organization	For organizations whose tax-exempt status was automatically revoked for failure to file a Form 990-series return for three consecutive years, Form 1023-EZ is rejected if the applicant indicates a date of formation that is inconsistent with IRS records.	2%

¹ Although pay.gov includes entry validations, some internet browsers allow the applicant to bypass these validations, resulting in incomplete submissions. We continue to work with pay.gov as such issues arise.

A review of the NTEE codes shows that no specific type of organization is rejected more often than another. The data indicates that applications from a broad spectrum of potentially exempt organizations, including arts and culture, human services, education, youth development, animal welfare, science and technology, and public benefit and international activities, among others, are rejected for a variety of reasons.

Since July 1, 2014, there have been 4,152 Form 1023-EZ applications rejected. Of those rejected, 1,722 (41%) subsequently reapplied. The percentage of rejected applicants subsequently reapplying has increased from 33% in the first year; however, the percentage of resubmitted applications that were not approved has decreased from 11% to 5%. This may be attributable to improved clarity of the form instructions and additional educational information available on irs.gov.

Of taxpayers that subsequently reapplied, 1,239 (72%) applicants reapplied using Form 1023-EZ. Of those, 1,172 were approved, 44 were rejected or withdrawn, and the remaining 23 were still open as of the writing of this report. There were 398 (23%) applicants that reapplied using Form 1023, of which 303 were approved, one was denied, 32 were rejected, withdrawn or closed failure to establish, and the remaining 62 were still open as of the writing of this report. Additionally, 85 (5%) applicants reapplied using Form 1024, of which 64 were approved, 13 were rejected, withdrawn or closed failure to establish, and the remaining eight were still open as of the writing of this report.

Predetermination Information

Each incoming Form 1023-EZ has approximately a 3% random chance of being selected for predetermination review. Because the selection is based on a simple random sampling methodology, the selected population at any point in time may not equal exactly 3%. From July 1, 2014, through June 24, 2016, 2,440 applications have been selected for predetermination review. Table 6 shows the number of applications selected for predetermination review since the implementation of this process.

Table 6
Form 1023-EZ Predetermination Review

Fiscal Year	Form 1023-EZ	Selected for predetermination review
FY2014 (from 7/1/2014)	9,533	233
FY2015	44,872	1,271
FY2016 (through 6/24/2016)	33,549	936
Total	87,954	2,440

Based on the application data, IRS records and internet research, the predetermination reviewing specialist either rejects the application (based on ineligibility to file a Form 1023-EZ or an invalid EIN) or requests additional information by letter.

If additional information is requested, four standard questions, along with penalties of perjury statement, are asked. The standard questions include requests for the organizing document with language required to meet the organizational test; a detailed description of past, present and future activities; a schedule of revenues and expenses; and a detailed description of any transactions with donors or related entities. If the applicant indicates specific activities such as influencing legislation, foreign distributions, or gaming activities, additional questions are asked. If an applicant's website or the NTEE code entered indicates activities outside the scope of Internal Revenue Code (IRC) section 501(c)(3), additional questions may be asked.

EO has approved 94% of all Form 1023-EZ applications closed to date. Through the predetermination review process, approximately 79% of applications have been approved. These approval rates have remained consistent since implementation. The lower approval rate through the predetermination review process is mainly attributed to the rejection of applications. The most common reasons for these rejections have been the applicant's ineligibility to use the Form 1023-EZ or the applicant's failure to respond to our request for additional information.

Of the 421 rejections in the predetermination process, 42% were due to ineligibility to file the Form 1023-EZ. Over 75% of the rejections for ineligibility were based on applicants' responses to our additional information letter where they revealed that they had or expected gross receipts to exceed \$50,000. The other ineligible applicants rejected in the predetermination process included churches, limited liability companies, credit counseling organizations, schools, and for-profit successors, which are explicitly ineligible to file Form 1023-EZ per the form instructions. A rejection for ineligibility to file Form 1023-EZ does not indicate the applicant

does not qualify for tax exemption (see earlier discussion of rejected applicants that reapply and are approved).

The second most common reason for rejection through the predetermination process has been failure of the applicant to respond to a specialist's request for additional information. In 2014, nearly 50% of all applications worked through the predetermination process were rejected for failure to respond to the request for additional information. This declined to 41% as of June 26, 2015 and, as of June 24, 2016, 35% of applications under predetermination review have been rejected for this reason. The reduction in incidents of no response is attributed to procedural changes. In 2015, the IRS began making follow-up telephone calls to those organizations that do not respond to the additional information letters. This practice proved successful in increasing the rate of responses and became part of standard operating procedures.

Table 7 below shows the number of organizations selected for predetermination review and the data for closures of the reviewed applications.

Table 7
Predetermination Form 1023-EZ Applications

	FY2014 7-1-14 to 9-26-14	FY2015 9-27-14 to 9-25-15	FY2016 9-26-15 to 6-24-16	Combined
Receipts	233	1,271	936	2,440
Closures¹	91	1,189	1,003	2,283
Denials	0	0	1	1
Approvals	70	926	798	1,794
Rejections	20	243	173	436
Other ²	1	20	31	52

¹ After FY 2014, tracking of predetermination cases was changed from a manual process to a systemic process, resulting in a restatement of the approvals and rejections originally reported in the *Form 1023-EZ First Year Report*.

² Other closures are withdrawals and duplicate applications.

Tax Examiner Referrals

In addition to the applications randomly selected for predetermination review, Form 1023-EZ applications may be reviewed by an EO determinations specialist based on a tax examiner referral. Tax examiners may refer cases for additional review by an EO determinations specialist in an effort to cure inconsistencies shown in the application or to assess the accuracy of the information provided. From November 2014 (when tracking for this data began) through June 24, 2016, tax examiners referred 1,975 applications for additional review. Over 62% of these applications were referred because the applicant reported an NTEE code that is generally inconsistent with exemption under IRC section 501(c)(3). This is a decrease from 92% through June 26, 2015, which may be attributable to the availability of better information on the form, instructions, and

irs.gov. Other applications were referred for the following reasons (this list only includes the top referral reasons and is not all inclusive):

- 285 (14.4%) were previously or currently exempt under another paragraph of IRC section 501(c).
- 253 (12.8%) were applicants whose formation date listed on the Form 1023-EZ was inconsistent with IRS records.
- 69 (3.5%) contained a potential name match on the Comprehensive List of Terrorists and Groups (CLTG) and required additional information.
- 49 (2.5%) were formed as LLCs, partnerships or sole proprietorships and were potentially ineligible to use Form 1023-EZ.

Upon receipt of a referral from a Form 1023-EZ tax examiner, the specialist may request information or approve or reject the application based on application data, IRS records, and internet research. If the specialist needs additional information, the information requested is based on the contents of the form and the reason for referral.

From July 1, 2014, through June 24, 2016, 72% of the referred applications were approved. This is an increase from 59% of referred applications approved through June 26, 2015, which appears to be primarily due to a significant increase in the rate of responsiveness by the applicant to the specialist's request for additional information. The remaining 28% of applications were not approved: 12% were rejected, a decrease from 21% rejected previously; 15% withdrew after additional information was requested; and less than 2% were denied, already exempt, or had been erroneously revoked and did not need to apply.

The predominant reasons for rejection of the referred applications were:

- 46% failed to respond to the specialist's request for additional information.
- 20% were ineligible to file.
- 17% did not meet the reinstatement criteria for small organizations in Rev. Proc. 2014-11, section 4.
- 5% provided invalid employer identification numbers.

Table 8 on the next page illustrates the data for tax examiner referral closures.

**Table 8
Tax Examiner Referrals - Form 1023-EZ Applications**

	FY2014 7-1-14 to 9-26-14	FY2015 9-27-14 to 9-25-15	FY2016 9-26-15 to 6-24-16	Combined
Closures	1	532	1,442	1,975
Approved	0	347	1,074	1,421
Rejected	0	88	153	241
Denied	0	1	4	5
Withdrawal	1	96	198	295
Already Exempt	0	0 ¹	7	7
Erroneous Revocation	0	0	6	6

¹ After FY 2014, tracking of tax examiner referral cases was modified, resulting in a revision of the number of "Already Exempt" and "Erroneous Revocation" closures originally reported in the Form 1023-EZ First Year Report.

Quality Review

EO Determinations Quality Assurance performs sample reviews on both the Form 1023-EZ standard process (cases worked by tax examiners) and the Form 1023-EZ predetermination process. Cases closed under each process are sampled weekly. The cases are reviewed for attributes related to customer accuracy, procedural accuracy, regulatory accuracy, and timeliness. The cumulative quality scores for the Form 1023-EZ standard and the 1023EZ predetermination cases closed through June 24, 2016, were 98% and 86% respectively. Although there are no concerns related to the standard 1023-EZ process, EO has identified opportunities for improvement in processing 1023-EZ predetermination cases that include timeliness of actions taken and taxpayer contacts.

Overall Issues Encountered and Resolutions

When the Form 1023-EZ process was initially implemented, an application was rejected if an applicant provided an incorrect EIN. However, tax examiners now conduct additional research of IRS records to locate a correct EIN for the applicant. This procedure has greatly reduced this reason for rejection.

As explained above, the rate of rejections for an applicant's failure to respond to a request for additional information was greatly reduced by implementing a process for calling the applicant both when the additional information letter is sent and if the applicant fails to respond during the initial response period.

After initially identifying multiple applications being filed from the same pay.gov account, IRS developed a plan to assess the behavior and potential impact of these volume submitters. Recent data analytics

identified 114 submitters who sent in more than 10 applications, including nine that submitted more than 100 applications and one that submitted more than 1,000 applications since implementation of the Form 1023-EZ process.

Because this application process has only been available since June 2014 and Form 1023-EZ is based on attestations of the organization as to specific facts, the presence of volume submitters generates legitimate business questions regarding their degree of due diligence and that of the applicants, the depth of review for accuracy once the application is complete, uncertainty about the validity of the signature on the application, and the motive and legitimacy of the volume submitters. Initial conversations with one high volume submitter confirmed that this individual is an established practitioner in the EO community. The identifications of other volume submitters indicate that they are likely also practitioners in the EO community. EO is gathering additional data on these volume submitters and will conduct interviews to ascertain if volume submissions pose any substantial business risk to the Form 1023-EZ application process.

Post Determination Compliance Program

The Post Determination Compliance Program consists of correspondence examinations of Form 990 series information returns or notices filed by a random sample of organizations that received exempt status via Form 1023-EZ. This program started in January 2016 and allows the IRS to check compliance for small exempt organizations after a year or more in operation. Due to the efficiencies gained through the Form 1023-EZ, on October 1, 2015, EO realigned 31 determination agents from EO:Rulings & Agreements to EO:Examinations. This allows EO to put greater resources in examining organizations after they have become operational.

EO developed two selection methods to identify cases for examination beginning in FY 2016. A statistical sample of 400 organizations was selected from the population of Form 1023-EZ applicants receiving exemption during the 2014 calendar year. This statistical sampling for examination of returns or notices filed by Form 1023-EZ applicants will continue into future fiscal years. A second statistical sample of 835 organizations was selected based on entries in Part III of Form 1023-EZ. This section of the Form 1023-EZ contains eight questions, which ask whether the organization plans to engage in certain activities. For FY 2016 and continuing into FY 2017, EO will examine the organizations selected through this sample. Due to organizations being selected under more than one sample, the number of unique organizations being examined from both statistical samples is 1,182.

As of June 24, 2016, EO closed 26 examined cases without change and two with amendments to organizing documents. There were also eight cases closed with an advisory. The advisories involved one or more of the following issues:

- Employee compensation not reported on Form W-2.
- Organization's records were inadequate to substantiate the accuracy of the information reported for the year under examination.
- Organization failed to file the required information return or the return was incomplete.
- Organization conducted an activity that could adversely affect its exemption if the activity were to become more than an insubstantial part of the organization's activities.

- Unrelated business income was not properly reported on a Form 990-T.
- Vehicle allowance was not properly reported on Form W-2.
- Employees were misclassified as independent contractors.

Risk Management

Concurrent with the implementation of the Form 1023-EZ, IRS identified potential risks in implementing a streamlined application form based on attestations. These risks included:

- Decreased IRS involvement in applicant engagement and education.
- Insufficient information on the form for the IRS to make an accurate determination.
- Increased likelihood of fraud.
- Perception that applicants could be treated inconsistently.
- Possibility that application processing may be inadequate.

IRS has substantially mitigated these risks by providing extensive educational materials, clarifying instructions, and implementing the predetermination review process and the post determination compliance program. IRS continues to gather statistical information, identify potential risks, and explore mitigating options. We also continue to post relevant information, including educational materials, on irs.gov and stayexempt.org websites. Additionally, we will continue to use data analysis to detect abuse of the form, analyze compliance behavior of volume submitters, and assess and improve our post determination compliance program.

Next Steps

The EO Program will continue to monitor the filing and use of the Form 1023-EZ and the effectiveness of the post determination compliance program. In addition to assessing the level of compliance by new organizations with tax exemption tax law, IRS will use the findings from this compliance program to identify opportunities to further improve the Form 1023-EZ and processes.

To further improve customer service and reduce the number of ineligible organizations who apply, changes to the Form 1023-EZ are being discussed. IRS has already implemented a change to prevent the applicant from using certain invalid EINs (such as 99-9999999). Other planned changes for the form and instructions, such as requiring the identification of a point of contact or responsible person for additional information requests, requiring the applicant to attest that gross receipts or expected gross receipts are less than \$50,000, and requiring a separate attestation that total assets are less than \$250,000, have been delayed due to budget restrictions on necessary system changes. The proposed changes are intended to clarify information being requested on the form, enhance the instructions, secure additional contact information, and provide additional guidance to applicants to ensure the accuracy of the information provided on the form.

In an effort to assess potential use of the form by eligible organizations, a study was performed on a statistically valid sample of Form 1023 applicants to determine how many would have been eligible to apply for exemption using the Form 1023-EZ. Results of the study revealed 22% of the sampled applicants met the

eligibility requirements for the Form 1023-EZ. Based upon these results, we are considering additional educational resources to clarify application options and eligibility requirements.

Internal Revenue Manual 7.20.9, *Processing Form 1023-EZ*, published on June 27, 2016, formalized processing procedures, and training was provided to all impacted employees. As future changes are made to the Form 1023-EZ process, toolkits and the Internal Revenue Manual will be updated to ensure employees are processing the form consistently and correctly.

EO will continue to conduct a predetermination compliance review on 3% of the filing population to measure the understanding of the Form 1023-EZ filing requirements and compliance with tax exemption tax law. EO will use the findings from these predetermination compliance reviews to revise processes, make appropriate changes to the form and instructions and/or adjust enforcement strategies, as needed.