

Since determination by state courts or agencies is usually inefficient or partially ineffective, the best source of government recognition of tax-exempt status is through a federal court or federal agency. Federal court proceedings are often expensive and time-consuming, or although if determination is favorable, it is usually considered to be the "strongest" determination. The fastest determination is through the use of Form 1023, an application to the U.S. Treasury for determination.

The disadvantages of Form 1023 applications are the large amounts of information that must be disclosed in the application and then filed publicly, and the sometimes arbitrary actions of a federal agency in either "delaying the determination" or simply asking irrelevant questions. Generally, however, the exempt organization section of the Internal Revenue Service has been most cooperative with those organizations who earnestly desire to meet the standards and qualifications of Section 501 (c) (3). Their primary concern is to help structure the organization so that it may be properly tax-exempt and may carry on the operations to benefit all mankind.