

Person to Contact: [REDACTED]
Telephone Number: [REDACTED]
Refer Reply to:
Internal Revenue Service
[REDACTED]

Date: JUN 20 1989

Re: Application:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

Your Form 990-B submitted discloses that you were incorporated on [REDACTED] under the nonprofit corporation laws of the State of [REDACTED].

The following purpose appears in your Articles of Incorporation, "This corporation is organized exclusively for charitable, religious and educational purposes and is formed to establish and maintain a ministry which shall promote the preaching of the Gospel of Jesus Christ and the study of God's word as written in the Bible, through: (1) preaching of the Gospel of Jesus Christ; (2) sending people to preach and to teach the Gospel of Jesus Christ to those persons residing in the area of [REDACTED] and to work among the people of the [REDACTED]; (3) erecting, maintaining, and operating churches; and (4) any other related Christian activities for the furtherance of Christ's Kingdom and for the edification of its members."

According to your application, the primary activity of your organization is the preaching of the Gospel of Jesus Christ in [REDACTED] and other lesser islands in the surrounding area. Your organization was formed by a husband and wife team who intend to subsidize the organization with their social security benefits.

In development letter dated [REDACTED], we told you that the program of your activities provided in the application was acceptable. We also asked you to make a determination of your exempt status. We requested a detailed description of your past, present and proposed activities. We also asked for an itinerary of your past and proposed activities for [REDACTED] by topic, place and date.

Code	Director	Assistant Director	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Summary	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Date	6/15/89	6/15/89	6/15/89	6/15/89	6-18-89	6/19/89	

[REDACTED]

In your response dated [REDACTED], you stated, "There is no past since we are waiting on a tax exempt ruling so that we can ask individuals and/or groups for monetary support. There is no present (as [REDACTED]) per above. There is no future unless we receive tax exempt status." In addition, you failed to furnish an itinerary of your missionary activities for [REDACTED].

Section 501(c)(3) of the Code provides for the exemption from Federal Income Tax of corporations organized and operated exclusively for religious, charitable, literary, scientific, and educational purposes; no part of the net earnings of which inures to any private shareholder or individual.

Section 1.501(c)(3)-1 of the Tax Regulations relates to the definition of the organization and operation of organizations described in Section 501(c)(3). It is quoted, in part, as follows:

"(a) Organizational and operational tests. (1) In order to be exempt as an organization described in Section 501(c)(3), an organization must be both organized and operated exclusively for one or more purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt. (2) The term "exempt purpose or purposes," as used in this section, means any purpose or purposes specified in Section 501(c)(3)...."

"(b) Operational test. (1) Primary activities. An organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. (2) Distribution of earnings. An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals...."

We wish to call your attention to Revenue Procedure 84-46, 1984-1 CB 541, which reads, in part, as follows:

"Sec. 5. Exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means

adopted or planned for carrying out the activities the anticipated sources of receipts and the nature of contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued. In those cases where an organization is unable to describe fully its purposes and activities, a refusal to issue a ruling, or determination letter will be considered an adverse determination from which administrative appeal rights will be afforded...."

Since your organization has been unable to provide a detailed description of your activities, this office is unable to make a determination as to your qualification as an organization described in Code Section 501(c)(3). Under the authority of the above mentioned Revenue Procedure, it is held that a record of actual operations will be required before a ruling or determination will be issued.

Accordingly, we have concluded that you are not entitled to recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Code, since you are not organized and operated exclusively for charitable, religious, or other exempt purposes within the meaning of Section 501(c)(3).

You are required to file Federal Income Tax Returns.

Contributions made to you are not deductible by the donors as charitable contributions as defined in Section 170(c) of the Code.

If you do not agree with these conclusions, you may within thirty days from the date of this letter, file a brief of the facts, law and argument (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

[REDACTED]

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Please keep this determination letter in your permanent records.

If you agree with this determination, please sign and return The enclosed Form 6018.

If we do not hear from you within 30 days from the date of this letter, this determination will become final. In accordance with Code Section 6104(c), we will notify the appropriate state officials of this action.

Very truly yours,

[REDACTED]

District Director

Enclosures:
Publication 892
Form 6018