

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **201609001**
Release Date: 2/26/2016

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 501.03-02, 507.06-00,
4940.02-01, 4941.04-00,
4942.03-05, 4944.05-00,
4945.04-00

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-107389-15

Date:
October 09, 2015

Foundation =

E.I.N.:

Founder =

TY:

Dear :

This is in response to the letter dated January 26, 2015, and additional submissions dated April 15 and May 20, 2015, in which Foundation’s counsel requested, on behalf of Foundation, rulings under sections 501, 507, 4940, 4941, 4942, 4944, and 4945 of the Internal Revenue Code.¹

BACKGROUND

Based on the documents and representations submitted on behalf of Foundation, the relevant facts on which Foundation’s request for rulings is based are as follows:

Pursuant to the terms of a trust created by Founder, Foundation was organized for the purpose of making payments or distributions for charitable purposes to or for the use of charitable organizations organized in the United States or any possession of the United States entitled to recognition of exemption from federal income tax under sections 501(a) and 501(c)(3).

¹ The Internal Revenue Code of 1986, as amended, to which all subsequent “section” references are made unless otherwise indicated.

The Internal Revenue Service has recognized Foundation as an organization described in section 501(c)(3) and classified it as a private foundation under section 509(a). Foundation has made all of its grants to public charities described in section 509(a)(1), (2), or (3).

Founder was a substantial contributor to Foundation within the meaning of section 507(d)(2).

Foundation has a nine-person board of directors composed of Founder's five children and four grandchildren. The directors' visions of the charitable causes to be promoted and supported by Foundation have diverged, making it difficult for Foundation to develop a unified administration of its charitable goals and objectives. Accordingly, Foundation's directors desire to divide Foundation into three separate private foundations, permitting each of the two newly created private foundations to be governed and operated by one of Founder's children and certain of each child's family members. To accomplish this objective, Foundation proposes to distribute an amount equal to 20 percent of the fair market value of its assets to each of the two newly created foundations. Foundation will keep 60 percent of the assets it will own immediately before those distributions. Foundation will receive no consideration for the amounts transferred, and none of the amounts will be out of current income.

The two newly created private foundations will be nonprofit corporations. Prior to the proposed distributions to them, each of the newly formed organizations will receive a determination letter from the IRS recognizing it as exempt from federal income tax under section 501(a) as an organization described in section 501(c)(3) and classified as a private foundation within the meaning of section 509(a), but not as an operating foundation as defined by section 4942(j)(3). The boards of directors of the two newly created private foundations will be composed of four of the nine persons who currently serve on the board of directors of Foundation plus additional family members, with each newly created private foundation being governed by a child of Founder and two of each child's immediate family members. Foundation's board will consist of the remaining five of the nine current directors (three of Founder's children, and two of his grandchildren). All of the directors of each of the foundations will be disqualified persons with respect to each of the resulting foundations because they are all descendants of Founder.

Foundation intends to pay all reasonable expenses necessary to create the newly created private foundations and to transfer the assets to them, including the reasonable expenses incurred in connection with this request for rulings.

After the transfers of assets to the newly created private foundations, Foundation and each of the two newly created private foundations will operate and maintain their own

statuses as section 501(c)(3) tax-exempt private foundations.

Foundation has not given, and does not intend to give, notice to the IRS of intention to terminate its private foundation status, nor has Foundation received from the IRS notification that its private foundation status has been terminated. Further, Foundation has not committed any willful repeated acts or any willful and flagrant act that gives rise to liability under Chapter 42.

Based on the documentation submitted and the facts and representations described above, Foundation has requested the rulings discussed below.

RULINGS REQUESTED, LAW, and ANALYSIS

Requested Rulings 1 and 2:

- 1. The proposed transfers of 40 percent of Foundation's assets to the new private foundations will qualify as transfers of assets described in section 507(b)(2) and will not be described in section 507(a).*
- 2. The new private foundations will not be treated as newly created organizations as a result of the transfers.*

Section 507(a) says that, except as provided in subsection (b), the status of any organization as a private foundation shall be terminated only if (1) it notifies the Secretary of its intent to accomplish such a termination, or (2) with respect to such organization, there have been either willful repeated acts (or failures to act), or a willful and flagrant act (or failure to act), giving rise to liability for tax under Chapter 42, and the Secretary notifies such organization that it is liable for the tax imposed by section 507(c), and either such organization pays the tax (or any portion not abated under section 507(g)) or the entire amount of such tax is abated under section 507(g).

Section 507(b)(2) says that in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation or other adjustment, organization, or reorganization, the transferee foundation shall not be treated as a newly created organization. A transfer described in section 507(b)(2) is referred to as a "section 507(b)(2) transfer."

The exception in section 507(a) for what is "provided in subsection (b)" excludes section 507(b)(2) transfers from imposition of the termination tax. Accordingly, a transfer of assets described in section 507(b)(2) from one private foundation to another does not trigger the termination tax on the transferor private foundation if the transferee private foundation involved in the transfer "is not . . . treated as a newly created organization." This is explained in more detail in the applicable regulations. Treas. Reg. Sec. 1.507-3(a)(1) states that in the case of a transfer of assets described in section

507(b)(2), including a significant disposition of assets to one or more private foundations within the meaning of paragraph (c) of Treas. Reg. Sec. 1.507-3, the transferee organization will not be treated as a newly created organization. Similarly, Treas. Reg. Sec. 1.507-1(b)(6) provides that if a private foundation transfers all or part of its assets to one or more other private foundations pursuant to a transfer described in section 507(b)(2) and Treas. Reg. Sec. 1.507-3(c), such transferor foundation will not have terminated its private foundation status under section 507(a)(1).

Treas. Reg. Sec. 1.507-3(c)(1) describes the terms “other adjustment, organization, or reorganization” as including any significant distribution of assets to one or more private foundations, other than transfers for full and adequate consideration or distributions out of current income. The term “significant disposition of assets to one or more private foundations” is defined by Treas. Reg. Sec. 1.507-3(c)(2) as any disposition or series of dispositions where the aggregate value transferred is 25 percent or more of the fair market value of the net assets of the transferor foundation at the beginning of the taxable year. Foundation will be transferring 40 percent of its assets to the two newly created private foundations. Foundation will not receive any consideration for the amounts transferred, and none of the amounts will be out of current income. Accordingly, Foundation’s proposed transfers will constitute a significant disposition of assets that will qualify as section 507(b)(2) transfers.

Treas. Reg. Sec. 1.507-4(b) provides, in part, that a private foundation that makes transfers described in section 507(b)(2) is “not subject to the tax imposed under section 507(c) with respect to such transfers unless the provisions of section 507(a) become applicable.” Foundation has represented that it has not and will not notify the Secretary of any intent to terminate its status as a private foundation within the meaning of section 507(a)(1) and that it has not either committed willful repeated acts (or failures to act) or committed a willful and flagrant act (or failure to act) which gives rise to tax under Chapter 42 within the meaning of section 507(a)(2). Therefore, because the proposed transfers will be described in section 507(b)(2) and because Foundation will not give the notice described in section 507(a)(1) or be described in section 507(a)(2), Foundation’s proposed transfers of assets to the newly created private foundations will not be described in section 507(a), and the newly created private foundations will not be treated as newly created organizations for this purpose.

The conclusion that the newly created private foundations will not be treated as newly created organizations is reached herein only for purposes of responding to Foundation’s request for the ruling that the proposed transfers will not subject Foundation to the tax imposed by section 507(c) because the transfers will be described in section 507(b)(2). Section 6110(j)(3) provides, in part, that unless “the Secretary otherwise establishes by regulations, a written determination may not be used or cited as precedent.” For this purpose, section 6110(b)(1)(A) provides that a “written determination” generally means “a ruling, determination letter, technical advice memorandum, or Chief Counsel advice.” The request for rulings to which this letter is directed was submitted by Foundation, not

by either of the newly created private foundations. Accordingly, the newly created private foundations may not use or cite this letter as precedent. See also, section 11.02 of Rev. Proc. 2015-1, 2015-1 I.R.B. 1, 59.

Requested Ruling 3: *The proposed transfers of assets and the carrying out of the transaction contemplated will be in furtherance of Foundation's section 501(c)(3) purposes.*

Section 501(a) exempts from federal income tax organizations that are described in section 501(c). Section 501(c)(3) describes organizations that are organized and operated exclusively for charitable and other designated exempt purposes. Organizations described in section 501(c)(3) must operate exclusively for an exempt purpose.

Revenue Ruling 64-182, 1964-1 C.B. 186, provides that a corporation organized exclusively for charitable purposes is entitled to exemption under section 501(c)(3) where it is shown to be carrying on through contributions and grants a charitable program commensurate in scope with its financial resources.

Foundation will transfer an amount equal to 40 percent of the fair market value of its assets to the two newly created private foundations after they are recognized by the IRS as being described in section 501(c)(3) and as being exempt under section 501(a). Foundation will continue to operate for exempt purposes following the proposed transfers of assets in a manner commensurate in scope with its remaining financial resources. Accordingly, Foundation's proposed transfers of assets and the carrying out of the transaction contemplated will be in furtherance of Foundation's section 501(c)(3) purposes.

Requested Ruling 4: *The transfers of assets will not give rise to gross investment income (including capital gains) and will not result in the imposition of tax under section 4940.*

Foundation proposes to distribute an amount equal to 40 percent of the fair market value of its assets in equal shares to each of the two newly created private foundations. Foundation will not receive any form of consideration for either proposed transfer.

Section 4940(a) imposes an excise tax on a private foundation's net investment income for the taxable year. Section 4940(c)(1) defines net investment income as the amount by which the sum of the gross investment income and the capital gain net income exceeds the deductions allowed under section 4940(c)(3). Section 4940(c)(2) provides, in part, that for purposes of section 4940, the term "gross investment income" means the gross amount of income from interest, dividends, rents, payments with respect to securities loans, and royalties. Section 4940 does not define "capital gain net income." However, Treas. Reg. Sec. 53.4940-1(f)(1) provides, in relevant part, that in determining capital gain net income for purposes of the tax imposed by section 4940, there shall be

taken into account only capital gains and losses from the sale or other disposition of property held by a private foundation for investment purposes.

In the context of applying sections 507(b)(2) and 4940 to a transfer of all of a private foundation's assets to one or more other private foundations, Rev. Rul. 2002-28, 2002-1 C.B. 941, states that section 507(b)(2) transfers do not constitute investments of the transferor for purposes of section 4940, and, therefore, the transfers do not give rise to net investment income subject to tax under section 4940(a). Foundation's proposed transfers of its assets to the newly created private foundations are similar to those in Rev. Rul. 2002-28, supra, in that they are transfers described in section 507(b)(2).

Accordingly, the proposed transfers to the newly created private foundations will not result in the production of net investment income and will not result in the imposition of tax under section 4940.

Requested Ruling 5: Neither Foundation nor any disqualified persons with respect to Foundation will be deemed to have engaged in an act of self-dealing under section 4941 by effectuating the transfers of assets and the transactions contemplated herein, including the formation of the newly created private foundations and the payment by Foundation of reasonable expenses necessary to effect such transactions.

Section 4941(a)(1) imposes taxes on each act of self-dealing between a disqualified person and a private foundation. Taxes are imposed on both the self-dealers involved in an act of self-dealing and on any foundation managers who knowingly participate in an act of self-dealing. Even though section 4941 does not impose a tax on a private foundation when an act of self-dealing occurs, a foundation with respect to which there has been an act of self-dealing is required to report it to the IRS on its annual information return, which is the Form 990-PF in this case.

Section 4941(d)(1)(E) provides that the term "self-dealing" includes any direct or indirect transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a private foundation. Section 4946(a)(1) defines the term "disqualified person." Treas. Reg. Sec. 53.4946-1(a)(8) provides that the term "disqualified person" does not include organizations that are exempt under section 501(c)(3). Thus, the newly created private foundations, by definition, will not be "disqualified persons" with respect to Foundation.

In Situation 1 in Rev. Rul. 2002-28, supra, P is recognized as exempt from federal income tax under section 501(c)(3) and is classified as a private foundation under section 509(a). Pursuant to a plan of dissolution, after satisfying all of its outstanding liabilities, P distributes all of its remaining assets in equal shares to X, Y, and Z. Rev. Rul. 2002-28, states, in part, that the transfers in question are to section 501(c)(3) organizations, which are not treated as disqualified persons for purposes of section 4941. Rev. Rul. 2002-28 concludes that the transfers do not constitute self-dealing transactions and are not subject to tax under section 4941(a)(1).

Foundation's proposed transfers of assets to the newly created private foundations will not constitute acts of self-dealing, assuming that the newly created private foundations are recognized by the IRS as organizations described in section 501(c)(3) and exempt from tax under sections 501(a). Similarly, the proposed payment of the expenses connected with creating and obtaining recognition of tax-exempt private foundation status for each of the newly created private foundations will not constitute acts of self-dealing, again assuming that the newly created private foundations are recognized by the IRS as organizations described in section 501(c)(3) and exempt from tax under sections 501(a).

With respect to the request for a ruling that no disqualified persons with respect to Foundation will be deemed to have engaged in an act of self-dealing under section 4941 by effectuating the proposed transactions, this letter is directed to Foundation, and not to the newly created private foundations, the children of Founder, the grandchildren of Founder, or any other disqualified persons with respect to Foundation. As previously stated, section 6110(j)(3) provides, in part, that unless "the Secretary otherwise establishes by regulations, a written determination may not be used or cited as precedent." Accordingly, neither the newly created private foundations, the children, the grandchildren, nor any other disqualified persons with respect to Foundation may use or cite this letter as precedent. See section 11.02 of Rev. Proc. 2015-1, supra, at 59.

Requested Ruling 6: The proposed transfers of assets by Foundation to the new private foundations will not constitute an investment that jeopardizes the charitable purposes of Foundation under section 4944.

Section 4944(a)(1) imposes a tax on any amount invested by a private foundation in a manner that jeopardizes the carrying out of any of the foundation's exempt purposes. Neither section 4944 nor the regulations thereunder define "invest" or "investment." However, as mentioned previously in the context of section 4940, in the context of applying sections 507(b)(2) and 4944 to a transfer of all of a private foundation's assets to one or more other private foundations, Rev. Rul. 2002-28, supra, states that section 502(b)(2) transfers do not constitute investments for purposes of section 4944.

Accordingly, the proposed transfers will not jeopardize Foundation's exempt purposes and will not be subject to tax under section 4944(a)(1).

Requested Ruling 7: The reasonable legal, accounting, and other expenses paid by Foundation in connection with this ruling request, in creating the new private foundations, and in effectuating the transfers of assets will not constitute taxable expenditures pursuant to section 4945, and all such expenses will be considered as "qualifying distributions" under section 4942.

Section 4942(g)(1)(A) and Treas. Reg. Sec. 53.4942(a)-3(a)(2)(i) provide, in part, that the term “qualifying distribution” means any amount, including “reasonable and necessary administrative expenses,” paid to accomplish one or more purposes described in section 170(c)(1) or (2)(B). Section 170(c)(2)(B) lists the following purposes: “religious, charitable, scientific, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals.” These purposes are the same as the purposes listed in section 501(c)(3). Thus, a grant by a private foundation to another organization described in section 501(c)(3) ordinarily is an amount paid to accomplish a purpose described in section 170(c)(2)(B) and may be considered to be a qualifying distribution.

Section 4945(a) imposes a tax on each “taxable expenditure” of a private foundation. Section 4945(d)(5) provides that the term “taxable expenditure” includes any amount paid or incurred by a private foundation for any purpose other than one specified in section 170(c)(2)(B).

Treas. Reg. Sec. 53.4945-6(b)(2) provides that legal, administrative, and other expenses incurred by a private foundation are not taxable expenditures if the foundation can demonstrate that such expenses were paid or incurred in the good faith belief that they were reasonable and that the payment or incurrence of such expenses in such amounts was consistent with ordinary business care and prudence. The determination whether an expenditure is reasonable depends upon the facts and circumstances of a particular case. Thus, Foundation’s payment of reasonable legal, accounting, and other expenses relating to the creation of the newly created private foundations and the transfers of assets to them, assuming that Foundation can demonstrate ordinary business care and prudence, will not constitute taxable expenditures under section 4945.

Assuming that Foundation’s legal, accounting, and other expenses incurred in connection with this ruling request and with effecting the proposed transfers will be reasonable and consistent with ordinary business care and prudence and paid to accomplish one or more purposes described in section 170(c)(2)(B), such expenses will be considered qualifying distributions under section 4942.

Requested Ruling 8: *Foundation may count the assets distributed in the proposed transfers toward satisfaction of its minimum distribution requirements under section 4942 to the extent that the new private foundations make qualifying distributions described in section 4942(g)(3).*

Treas. Reg. Sec. 1.507-3(a)(5) provides that except as provided in Treas. Reg. Sec. 1.507-3(a)(9) (relating to section 507(b)(2) transfers in which all of the transferor’s assets are transferred to one or more effectively controlled transferee private foundations), a private foundation is required to meet the distribution requirements of

section 4942 for any taxable year in which it makes a section 507(b)(2) transfer of all or part of its net assets to another private foundation. Such a transfer itself will be counted toward satisfaction of those requirements to the extent the amount transferred meets the requirements of section 4942(g), including the recordkeeping requirements of section 4942(g)(3)(B).

In the case of a section 507(b)(2) transfer, Treas. Reg. Sec. 1.507-3(a)(3) provides that a substantial contributor to a transferor foundation (such as Founder) will be treated as a substantial contributor to the transferee organization(s). Section 4946(a)(1)(D) provides that a member of the family of a substantial contributor to a foundation also is a disqualified person with the foundation. Accordingly, since all of the directors of Foundation and the newly created private foundations will be family members of Founder, all of the directors will be disqualified persons with respect to each of the foundations involved in the proposed transfers. Thus, the newly created private foundations will be controlled by persons who are disqualified persons with respect to Foundation. Accordingly, the proposed transfers to the newly created private foundations will be treated as qualifying distributions only to the extent that the requirements of section 4942(g)(3) are satisfied.

Section 4942(g)(1)(A) states, in part, that a “qualifying distribution” includes any amount (including that portion of reasonable and necessary administrative expenses) paid to accomplish one or more purposes described in section 170(c)(2)(B), other than any contribution to (i) an organization controlled (directly or indirectly) by the foundation or disqualified persons with respect to the foundation or (ii) any private foundation that is not an operating foundation under section 4942(j)(3), except as provided in section 4942(g)(3). The newly created private foundations will not be operating foundations.

Section 4942(g)(3) provides that the term “qualifying distribution” includes a contribution to (i) another charitable organization controlled directly or indirectly by the transferor foundation or one or more disqualified persons with respect to the transferor or (ii) a private non-operating foundation if two requirements are satisfied. The first such requirement is that the transferee organization satisfy certain “pass-through” requirements. See section 4942(g)(3)(A). The second requirement is that the transferor obtains adequate records or other sufficient evidence from the transferee organization(s) showing that the required pass-through distributions were made. See section 4942(g)(3)(B).

Accordingly, if the two newly created private foundations make qualifying distributions in the manner required by the pass-through rules of section 4942(g)(3)(A) and if Foundation obtains sufficient records to satisfy the recordkeeping requirements of section 4942(g)(3)(B), then Foundation may count as qualifying distributions those portions of the amounts distributed to the two newly created private foundations that satisfy the requirements of section 4942(g)(3)(A) and (B).

Requested Ruling 9: *The proposed transfers of Foundation's assets to the new private foundations will constitute a charitable grant to an organization as described in section 4945(d)(4) and as such will not constitute a taxable expenditure under section 4945 provided that Foundation exercises expenditure responsibility with respect to the transfers in accordance with section 4945(h).*

Section 4945(a) imposes a tax on each "taxable expenditure" of a private foundation. Section 4945(d)(4) provides that the term "taxable expenditure" includes any amount paid or incurred by a private foundation (such as, in this case, Foundation) as a grant to a private non-operating foundation (such as the two newly created private foundations) unless the grantor foundation exercises expenditure responsibility with respect to such grant in accordance with section 4945(h).

Treas. Reg. Sec. 53.4945-4(a)(2) provides that for purposes of section 4945, the term "grants" includes such expenditures as "payments to exempt organizations to be used in furtherance of such recipient organizations' exempt purposes." Foundation has represented that the two newly created private foundations will have received recognition as organizations described in section 501(c)(3) and as private, non-operating foundations prior to Foundation's making any transfers of assets to them, and that they will be responsible for maintaining their tax-exempt status thereafter.

Treas. Reg. Sec. 53.4945-6(c)(3) allows a private foundation to transfer its assets to exempt organizations described in section 501(c)(3), including private foundations, pursuant to section 507(b)(2), without the transfers being taxable expenditures under section 4945. However, Treas. Reg. Sec. 53.4945-6(c)(3) does not override the requirement under section 4945(d)(4) that grants to private, non-operating foundations be subject to the expenditure responsibility requirements of section 4945(h). Such an override is available under Treas. Reg. Sec. 1.507-3(a)(9) when the transfer of assets is a section 507(b)(2) transfer of all of the transferor's assets, but it is not available when the transfer does not constitute a transfer of all of the transferor's assets, as is the case here. Consequently, Foundation will have to exercise expenditure responsibility with respect to its grants to the two newly created private foundations, including the proposed transfers of assets described in section 507(b)(2), to avoid liability for tax under section 4945.

RULINGS

Based on the foregoing, and assuming the accuracy of the facts and representations set forth herein, we rule as follows:

1. The proposed transfers of 40 percent of Foundation's assets to the newly created private foundations will qualify as a transfer of assets described in section 507(b)(2) and will not be described in section 507(a).

2. For purposes of applying section 507(b)(2) and Chapter 42 to Foundation only, the newly created private foundations will not be treated as newly created organizations as a result of the proposed transfers of assets.
3. The proposed transfers of assets and the carrying out of the contemplated transaction will be in furtherance of Foundation's section 501(c)(3) purposes, as described above.
4. The proposed transfers of assets will not give rise to gross investment income (including capital gains) and will not result in the imposition of tax under section 4940.
5. Foundation will not be deemed to have engaged in any acts of self-dealing under section 4941 by effectuating the proposed transfers of assets and the contemplated transaction, including the formation of the newly created private foundations and the payment by Foundation of reasonable expenses necessary to effect such transactions.
6. The proposed transfers of assets by Foundation to the newly created private foundations will not constitute investments that will jeopardize the charitable purposes of Foundation under section 4944.
7. The reasonable legal, accounting, and other expenses paid by Foundation in connection with this request for rulings, in creating the newly created private foundations, and in effectuating the proposed transfers of assets will not constitute taxable expenditures under section 4945, and all such expenses will be qualifying distributions under section 4942.
8. Foundation may count the assets distributed in the proposed transfers toward the satisfaction of its minimum distribution requirement under section 4942 to the extent the newly created private foundations make qualifying distributions described in section 4942(g)(3)(A) and Foundation obtains sufficient records to satisfy the requirements of section 4942(g)(3)(B).
9. The proposed transfers of assets to the newly created private foundations will constitute grants described in section 4945(d)(4) but will not be taxable expenditures under section 4945 if Foundation exercises expenditure responsibility with respect to the transfers in accordance with the requirements of section 4945(h).

This letter does not address the applicability of any section of the Code or Regulations to the facts submitted other than with respect to the sections specifically described. Neither does this letter constitute a determination that Foundation is exempt from tax under section 501(a) or is a private foundation under section 509(a). Because it could help resolve questions concerning your federal income tax status, this letter should be kept in your permanent records.

This letter will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see the enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this letter with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, you should follow the instructions in the Notice 437.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an individual with authority to bind the taxpayer and upon the understanding that there will be no material changes in the facts. This office has not verified any of the material submitted in support of the request for rulings, and such material is subject to verification on examination.

No ruling is granted as to whether Foundation qualifies as an organization described in section 501(c) or section 509(a), and, except as expressly provided above, no opinion is expressed or implied concerning the federal income tax consequences of any other aspects of any transaction or item of income set forth in the ruling.

This letter is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

A copy of this letter must be attached to any tax return to which it is relevant. Alternatively, if Foundation files its return electronically, it may satisfy this requirement by attaching a statement to its return that provides the date and control number of this letter.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to each of your authorized representatives.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Kenneth M. Griffin
Chief
Exempt Organizations Branch 3
(Tax Exempt & Government Entities)

Encl.: Notice 437, Notice of Intention to Disclose
Redacted copy of this letter