



**Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities**

Date: February 25, 2022

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Number: 202246015

Release Date: 11/18/2022

UIL: 501.03-00

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**Why we are sending you this letter**

This is a final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), effective . Your determination letter dated , is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You are not described in section 501(c)(3) of the Code because you are not organized and operated exclusively for exempt purposes within the meaning of Internal Revenue Code section 501(c)(3) and Treasury Regulations sections 1.501(c)(3)-1(b)(1) and 1.501(c)(3)-1(c)(1). You do not engage primarily in activities that accomplish one or more of the exempt purposes specified in section 501(c)(3) and Treasury Regulations section 1.501(c)(3)-1(d).

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms and information please visit [www.irs.gov](http://www.irs.gov).

Contributions to your organization are no longer deductible under IRC Section 170.

**What you must do if you disagree with this determination**

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

**How to file your action for declaratory judgment**

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of IRC Section 7428 in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims or 3) the United States District Court for the District of Columbia.

Please contact the clerk of the appropriate court for rules and the appropriate forms for filing an action for declaratory judgment by referring to the enclosed Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status. You may write to the courts at the following addresses:

United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

U.S. Court of Federal Claims  
717 Madison Place, NW  
Washington, DC 20439

U.S. District Court for the District of Columbia  
333 Constitution Ave., N.W.  
Washington, DC 20001

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

We'll notify the appropriate state officials (as permitted by law) of our determination that you aren't an organization described in IRC Section 501(c)(3).

**Information about the IRS Taxpayer Advocate Service**

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS, or you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Contact your local Taxpayer Advocate Office at:

Or call TAS at 877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov). Do not send your federal court pleading to the TAS address listed above. Use the applicable federal court address provided earlier in the letter. Contacting TAS does not extend the time to file an action for declaratory judgment.

**Where you can find more information**

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

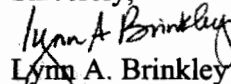
Find tax forms or publications by visiting [www.irs.gov/forms](http://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676).

If you have questions, you can call the person shown at the top of this letter.

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

Acting Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892

cc:



**Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities**

**Date:**  
November 30, 2020  
**Taxpayer ID number:**

**Form:**

**Tax periods ended:**

**Person to contact:**

**Name:**

**ID number:**

**Telephone:**

**Fax:**

**Address:**

**Manager's contact information:**

**Name:**

**ID number:**

**Telephone:**

**Response due date:**

**CERTIFIED MAIL – Return Receipt Requested**

Dear \_\_\_\_\_ :

**Why you're receiving this letter**

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that your organization doesn't qualify as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

This letter is not a determination of your tax-exempt status under IRC Section 501 for any period other than the tax periods above.

**If you agree**

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501(c)(7) for the periods above.

**If you disagree**

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the

IRS Appeals Office enough time to consider your case. For your protest to be valid, it must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

**If we don't hear from you**

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final adverse determination letter.

In the future, if you believe your organization qualifies for tax-exempt status and would like a status determination letter from the IRS, you can request a determination by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), and paying the required user fee.

**Contacting the Taxpayer Advocate Office is a taxpayer right**

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

**For additional information**

You can get any of the forms and publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can contact the person shown at the top of this letter.

Sincerely,

Sean E. O'Reilly  
Director, Exempt Organizations Examinations

Enclosures:  
Form 886-A  
Form 6018  
Publications 892 & 3498

Form <b>886-A</b>	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

**ISSUE**

Should the organization continue to qualify for exemption from Federal income tax under Section 501(c)(3)?

**FACTS**

The \_\_\_\_\_ (hereafter EO) was incorporated on \_\_\_\_\_ in the State of \_\_\_\_\_. EO was issued a determination letter by the Internal Revenue Service (IRS) on \_\_\_\_\_ under IRC 501(c)(3), granting it foundation classification 509(a)(3). EO is required to file Form \_\_\_\_\_ and its fiscal year ends \_\_\_\_\_.

On its determination application (Form \_\_\_\_\_), EO designated \_\_\_\_\_ (\_\_\_\_\_) and \_\_\_\_\_ (\_\_\_\_\_) as supported organizations. Both supported organizations were tax exempt under Section 501(c)(3).

EO was not responsive to correspondences sent by the Service. The Service sent \_\_\_\_\_ examination letters (information document request was included each time).

- The \_\_\_\_\_ examination letter with IDR #1 was sent on \_\_\_\_\_ via standard mailing;
- \_\_\_\_\_ attempt to mail examination letter with IDR #1 was sent on \_\_\_\_\_ via certified mailing (receipt was confirmed by officer, but no response provided);
- \_\_\_\_\_ attempt to mail examination letter with IDR #1 was sent on \_\_\_\_\_ via standard mail to a different address provided by the president of EO (\_\_\_\_\_) (receipt was confirmed by officer, but no response provided);
- A Statute extension letter was also sent to EO Treasurer, \_\_\_\_\_, on \_\_\_\_\_ via fax to request statute extension. \_\_\_\_\_ confirmed receipt of fax and indicated he will respond as soon as possible—EO did not respond.
- The Service mailed another copy of the statute extension letter to a different officer (EO President, \_\_\_\_\_) via certified mail on \_\_\_\_\_ to address previously provided. Statute extension letter was returned as undeliverable.
- EO did not respond to any of the examination letters with IDR #1 or Statute extension letters sent via fax or mail.

Per Form \_\_\_\_\_ for the period ended \_\_\_\_\_. EO received its financial support from investments and sales of assets other than inventory. EO did not receive financial support from individual donations, gross receipts for services related to exempt function, or membership dues. EO did not provide supporting documentation to substantiate its sources of revenues. For the period under examination and the period immediately preceding the year under examination, EO reported the following revenues on its Forms \_\_\_\_\_:

**Revenues**

Description					
Gifts, Grants, and Contributions					
Membership fees received					
Investment Income	\$	\$	\$	\$	\$
Unrelated Business Income					
Value of services or facilities by Gov.					
Other Income	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Form <b>886-A</b>	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
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EO reported Grant expenses (\$ ) and Other expenses (\$ ) for the year under examination. Form states that the Grants were made to . It also states that was tax-exempt under 501(c)(3), Foundation classification 509(a)(2). The Service requested supporting documentation multiple times to substantiate that the grants were made to and that they were used for 501(c)(3) purposes. The service also requested supporting documentation to substantiate exempt status under 501(c)(3). EO did not provide such supporting documentation.

## LAW

IRC Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

IRC Section 1.501(c)(3)-1(a)(1) states that, in order to be exempt as an organization described in IRC Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

IRC Section 509(a) of the Code provides that the term "private foundation" means an organization described in section 501(c)(3) other than certain organizations described in section 509(a)(1), (2), (3) or (4).

IRC Section 170(b)(1)(A)(i) describes a church or a convention or association of churches. Section 509(a)(1) of the Code generally provides that the term "private foundation" means a domestic or foreign organization described in section 501(c)(3) other than an organization described in section 170(b)(1)(A).

IRC Section 170(b)(1)(A)(ii) defines a school as "an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

IRC Section 170(b)(1)(A)(iii) of the Code, in part, describes hospitals and certain medical research organizations. A hospital is defined in Reg. 1.170A-9(c)(1) as having its principal purpose or function as the provision of medical or hospital care, or medical education or research.

IRC Section 509(a)(1) and 170(b)(1)(A)(iv) describes an organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its

charitable, educational, or other purpose or function constituting the basis for its exemption under section 501(a) from the United States or any State or political subdivision thereof or from direct or indirect contributions from the general public, and which is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a college or university which is an organization referred to in clause (ii) of this subparagraph and which is an agency or instrumentality of a State or political subdivision thereof, or which is owned or operated by a State or political subdivision thereof or by an agency or instrumentality of one or more States or political subdivisions.

IRC Section 509(a)(1) and 170(b)(1)(A)(v) describes a governmental unit referred to in subsection (c)(1).

Form <b>886-A</b>	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
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IRC Section 509(a)(1) and 170(b)(1)(A)(vi) provides that an organization is one that normally receives a substantial part of its support from a governmental unit or from the general public is not a private foundation.

IRC Section 170(b)(1)(A)(ix) describes an agricultural research organization directly engaged in the continuous active conduct of agricultural research (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977) in conjunction with a land-grant college or university (as defined in such section) or a non-land grant college of agriculture (as defined in such section), and during the calendar year in which the contribution is made such organization is committed to spend such contribution for such research before January 1 of the fifth calendar year which begins after the date such contribution is made, shall be allowed to the extent that the aggregate of such contributions does not exceed 50 percent of the taxpayer's contribution base for the taxable year.

IRC Section 509(a)(2) provides that an organization described under this section is one which normally receives more than one-third of its support in each taxable year from any combination of gifts, grants, contributions, or membership fees and gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in an activity which is not an unrelated trade or business, not including such receipts from any person, or from any bureau or similar agency of a governmental unit, in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1 percent of the organization's support in such taxable year, from persons other than disqualified persons with respect to the organization, from governmental units, or from other organization's described in 170(b)(1)(A) and IRC 509(a)(2)(B) normally receives not more than one-third of its support in each taxable year from the sum of gross investment income and the excess (if any) of the amount of the unrelated business taxable income over the amount of the tax imposed.

IRC Section 509(a)(3)(A) an organization that is organized, and at all times thereafter is operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in paragraph (1) or (2), is operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2), supervised or controlled in connection with one or more such organizations, or operated in connection with one or more such organizations, and is not controlled directly or indirectly by one or more disqualified persons (as defined in Code section 4946) other than foundation managers and other than one or more organizations described in paragraph (1) or (2).

IRC section 509(a)(4) excludes from the definition of private foundation an organization that is organized and operated exclusively for testing for public safety. The definition of "testing for public safety" includes testing of consumer products, such as electrical products, to determine if they are safe for the general public's use.

### **TAXPAYER'S POSITION**

The EO's position is unknown.

### **GOVERNMENT'S POSITION**

A section 501(c)(3) organization must be both "organized" and "operated" exclusively for one or more IRC 501(c)(3) purposes as cited above. The organizational test concerns an organization's articles of organization or comparable governing document. The operational test concerns an organization's activities.

If an organization fails either the organizational or operational test, it cannot qualify as an exempt organization under section 501(c)(3) of the Code.

Form <b>886-A</b>	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
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EO does not continue to qualify for exemption under Code section 501(c)(3) because it did not demonstrate that it is organized and operated exclusively for a charitable purpose. In addition, EO did not provide any supporting documentation to substantiate that it meets the requirements for the stated public charity, any of the other public charity foundation classes, or Private foundation.

EO does not meet the requirements for private foundation. EO did not demonstrate that it is organized and operated exclusively for a charitable purpose stated on IRC 501(c)(3).

EO does not meet the requirements for an organization described in Internal Revenue Code Section 170(b)(1)(A)(i). EO is not a church or a convention or association of churches.

EO does not meet the requirement for an organization described in Internal Revenue Code Section 170(b)(1)(A)(ii). EO is not a school.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 170(b)(1)(A)(iii). EO is not a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 509(a)(1) and 170(b)(1)(A)(IV). EO does not operate for the benefit of a college or university that is owned or operated by a government unit.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 170(b)(1)(A)(v). EO is not a government unit.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 170(b)(1)(A)(vi). EO was not publicly supported for the year under examination and for the four years prior to year under examination. EO did not normally receive support from governmental units referred to in

Code §170(c)(1), from contributions made directly or indirectly by the general public, or from a combination of these sources, equals at least 33 1/3 percent of the total support "normally" received by the organization.

EO does not meet the requirement for an organization described in Internal Revenue Code Section 170(b)(1)(A)(ix). EO is not an agricultural research organization.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 509(a)(2). EO did not receive more than one-third of its support from any combination of gifts, contributions, membership fees, gross receipts from admissions, sales of merchandises, and performance of services related to the exempt purpose in the year under examination and the preceding years.

EO does not meet the requirements for an organization described in Internal Revenue Code Section 509(a)(3). EO did not provide supporting documentation to substantiate that it is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purpose of an organization described in sections 509(a)(1) or (2). EO did not provide any supporting documentation to substantiate that the \$ grants were provided to an organization exempt under public foundation 509(a)(1) or (2). In



Form <b>886-A</b>	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
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addition, EO did not provide any supporting documentation to substantiate that such support was used for 501(c)(3) purpose.

EO does not qualify for an organization described in Internal Revenue Code Section 509(a)(4). EO does not operate exclusively for testing for public safety.

**CONCLUSION**

EO does not continue to qualify for exemption under Code section 501(c)(3) because it did not demonstrate that it is organized and operated for a charitable purpose stated in Section 501(c)(3).

Accordingly, EO is not entitled to tax exemption under 501(c)(3) of the Code and its tax-exempt status should be revoked, effective . Form , *U.S. Corporation Income Tax*, should be filed for tax year ending and thereafter.

You have the right to file a protest if you disagree with this determination. To protest, you must submit a statement of your position and fully explain your reasoning within 30 days from the date of this letter. Details of filing a protest can be found in the enclosed publications. We will consider your statement and decide if that information affects our determination. If your statement does not provide a basis to reconsider our determination, we will forward your case to Appeals Office.

If you agree with this conclusion, please sign and return the enclosed Form 6018.