



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

Date:
May 24, 2024
Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Person to contact:

Name:
ID number:
Telephone:
Fax:

Last day to file petition with United States
Tax Court: August 22, 2024

Release Number: 202436016

Release Date: 9/6/2024

UIL Code: 501.03-00

CERTIFIED MAIL - Return Receipt Requested

Dear :

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: Organizations described in IRC Section 501(c)(3) and exempt from tax under Section 501(a) must be both organized and operated exclusively for exempt purposes and no part of the net earnings may inure to the benefit of any private shareholder or individual. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

You have not demonstrated that you are both organized and operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3). As such, you failed to meet the requirement of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a).

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 [IRS.gov](https://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 can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- The United States District Court for the District of Columbia

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

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

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439
uscfc.uscourts.gov

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
dcd.uscourts.gov

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).

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 if 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. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059) to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at TaxpayerAdvocate.IRS.gov. Do not send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.

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 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.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

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:
11/15/2023
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:
ID number:
Telephone:
Fax:
Address:

CERTIFIED MAIL – Return Receipt Requested

Manager's contact information:

Name:
ID number:
Telephone:

Response due date:
December 14, 2023

Dear :

Why you're receiving this letter

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)(3) 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.

Revenue Procedure 80-27 requires that, in the event your tax-exempt status is revoked, your group exemption will also be revoked. If that occurs, none of your subordinates will be able to rely on the group ruling for tax-exempt status. You should notify each subordinate of this proposed action.

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 or call 877-777-4778.

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 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,

John A. Matias

John A. Matias, Supervisory, Internal Revenue Agent for
Lynn A. Brinkley

Director, Exempt Organizations Examinations

Enclosures:
Form 886-A
Form 6018

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

ISSUE

Whether _____ qualifies for exemption under Sections 501(c)(3) and public charity status under Section 509(a)(3) of the Internal Revenue Code as a Type III non-functionally integrated?

Whether the organization meets the requirements for operational test under Section 501(c)(3) of the Internal Revenue Code?

FACTS

_____ was formed in _____
_____ is recognized as an IRC 509(a)(3) tax-exempt supporting organization with an effective date of _____

The bylaws dated _____, state the purpose of the organization.

“The object of the _____ shall be to foster interest among its members in the work of _____”

The Form 990-EZ for _____ Part I shows that the Revenue, Expenses, Net Assets and the organization has no exempt activity nor generate any revenue. Part II Balance Sheets shows the cash on hand at the beginning of the year of \$ _____ and end of year remain same amount. Part III Statement of Program Service Accomplishments show that the organization primary exempt purpose and line 28 through 32 shows no expense incurred during the year. Part V line 41 books and record of supporting organization is kept at _____ address. The Form 990-EZ show that the electronic signature of officer _____ as the Chairman that signed for the tax year _____ and Chairman also a Board of Directors and Foundation Board of Trustee of _____

The Schedule A attached to 990-EZ, Section D the organization answered question 1 “Yes” that the EO provided written notice to supported organization describing the type or amount of support provided during the prior tax year. Part V has sections A through E, section was not complete are C, D and E.

The response to IDR #1 dated _____, eFax was received on _____ from _____ for the supporting organization. See correspondence below from POA.

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
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Please see below responses to the information document request received.

Item 1 Operational Requirements

- a. The organization was inactive during the fiscal year under tax examination. This organization is primarily run by volunteers, and it has had challenges in having board participation. The organization did not hold any meetings with the governing body during the fiscal year. The organization in the process of recruiting individuals to sit on the board that will commit to the operational requirements of the organization.
- b. The organization does not have any policy manuals, officer manuals, or employee handbooks.
- c. The organization did not disburse any funds to during the tax year under examination. The tax preparation was done internally and the individuals were unaware of the required distribution for a non-functionally integrated supporting organization. The failure to distribute funds was not out of willful neglect but due to lack of knowledge and participation of the governing board. As their new CPA firm have made the organization aware of this requirement and have fulfilled the distribution requirement for fiscal year and will do so going forward.

Item 2 Understand the activities

- a. The organization did not have any publications, newsletters, brochures, or other literature distributed during the tax year under examination.
- b. There was no correspondence or records between the organization and officers, members, volunteers during the tax year under examination

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LAW

Section 501(c)(3)-1(a)(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 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.

Section 509(a)-4(b)(1) Under subparagraph (A) of section 509(a)(3), in order to qualify as a supporting organization, an organization must be both organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of (hereinafter referred to in this section as being organized and operated to support or benefit) one or more specified publicly supported organizations. If an organization fails to meet either the organizational or the operational test, it cannot qualify as a supporting organization.

Section 509(a)-4(e) Operational test—(1) Permissible beneficiaries. A supporting organization will be regarded as operated exclusively to support one or more specified publicly supported organizations (hereinafter referred to as the operational test) only if it engages solely in activities which support or benefit the specified publicly supported organizations. Such activities may include making payments to or for the use of, or providing services or facilities for, individual members of the charitable class benefited by the specified publicly supported organization.

GOVERNMENT’S POSITION

Section 509(a)-4(e) failed the operational test. In the organization did not engage in fundraising or unrelated trade that would generate funds that support nor have active governing body. The supporting organization did not make an annual distribution to benefit the supported. Based on all the facts and circumstances the supporting organization did not meet the operational test and exempt organization does not qualify for Section 509(a)(3)(A).

TAXPAYER’S POSITION

The taxpayer’s position is unknown at this time.

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
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Conclusion:

Exempt organization is not operated exclusively for exempt purpose due to no activities nor the governing body was inactive during tax year . It is recommended that Section 501(c)(3) tax-exempt status be revoked effective