



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

Date:
05/31/2024
Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Release Number: 202443024
Release Date: 10/25/2024
UIL Code: 501.03-00

Person to contact:
Name:
ID number:
Telephone:
Fax:
Last day to file petition with United States
Tax Court: 08/29/2024

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: You have not demonstrated that you are operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3).

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).

Because you were a private foundation as of the effective date of the adverse determination, you are considered to be a taxable private foundation until you terminate your private foundation status under IRC Section 507. In addition to your income tax return, you must also continue to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, by the 15th day of the fifth month after the end of your annual accounting period.

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.

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.

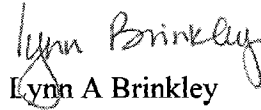
Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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,

A handwritten signature in black ink that reads "Lynn Brinkley". The signature is written in a cursive style with a large initial "L".

Lynn A Brinkley

Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892

cc:

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.

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.

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 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,

Vanessa Richards
Rather

Digitally signed by Vanessa
Richards Rather
Date: 2023.08.28 17:49:51 -04'00'

For Lynn A. Brinkley
Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Exhibits A-P
Form 6018
Form 4621-A
Publication 892
Publication 3498

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 (<i>last 4 digits</i>)	Year/Period ended

has influenced the _____ of _____ ; and () as _____ of _____ , _____ , _____ or _____ which represent a significant _____ ;

- b) To _____ and _____ and _____ , _____ , personal, tangible, or intangible, or any undivided interest therein, without limitation as to amount or value, by gift, grant, purchase, lease or otherwise, either absolutely or jointly with any other person, persons or corporation, for any and all of the organizations described in subsection (a) of this section from its members, from the public and from all other sources available; to receive and maintain such funds and property and to expend the principal and income therefrom in furtherance of these purposes;
- c) To _____ , _____ , or otherwise deal with all _____ , _____ and _____ , to be used in furtherance of these purposes;
- d) To _____ with other organizations, for profit and not for profit, with individuals, and with governmental agencies in furtherance of these purposes;
- e) To otherwise operate exclusively for charitable, scientific, educational, societal, or public purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954, as amended in the course of which operation:
 - i. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein;
 - ii. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Internal Revenue Code;
 - iii. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under 501(c)(3) of the Internal Revenue code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). “

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 <i>(last 4 digits)</i>	Year/Period ended

The powers vested in _____, the _____'s initial member from Article _____ :

- a) "Appoint all the directors of the corporation;
- b) Nominate to the corporation's board of directors all candidates for selection as the corporation's president;
- c) Approve expressly all amendments to the corporation's articles of incorporation and by-laws before they become effective;
- d) Approve the admission of additional members and the establishment of additional classes of members;
- e) Approve the incurrence of debt by the corporation in excess of (\$ _____);
- f) Approve the annual budget of the corporation
- g) Approve operating policies established by the corporation; and
- h) Approve transfers of the corporation's assets, in excess of \$ _____ to transferees."

A statement that the Foundation would make qualifying distributions was included in _____ :

"Not later than the _____ (th) day of the _____ (rd) month after the close of the corporation's taxable year in which the corporation receives contributions, the corporation will make qualifying distributions, as defined in Section 4942(g) of the Internal Revenue Code of 1954, as amended, without regard to paragraph () thereof which are treated after the application of Section 4942(g)(3) of the Internal Revenue Code of 1954, as amended, as distributions out of corpus (in accordance with Section 4942(h) of the Internal Revenue Code of 1954, as amended, in an amount equal to one hundred percent (100%) of such contributions. The corporation shall maintain adequate records or other sufficient evidence showing that the qualifying distributions were appropriately made."

Form 1023 Application

On _____, _____, the Internal Revenue Service ("IRS") received Form 1023- Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (Rev. April

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

1984). The application was signed by the _____ on _____,

According to Part - _____ and _____ information, there would be no _____ and the _____ would be _____ by the _____ (_____. The narrative description of the _____ activities was "to _____ from the _____ and to provide _____ and _____ to _____, _____ and _____, _____ and _____." The _____ made a contribution of stained- by _____, which the _____ then contributed to the _____.

Per _____, Statement as to _____, line _____, the box was checked " _____ " that the _____ was a _____.

Exemption Letter

The _____ was issued an exemption letter on _____, granting exemption as a _____ within the meaning of Section 509(a) of the Code as of the date the Form application was filed on _____. In the letter, the IRS determined that the _____ was an _____ as defined in Section 4942(j)(3). (see Exhibit _____)

The _____ was subsequently issued Letter _____ - _____ as a _____ on _____. Attached to the letter was a _____ which granted an extension to the _____-month filing period. The _____ stated the _____ was recognized as exempt under section 501(c)(3) of the code from _____, the date it was incorporated.

Historical Forms

The historical Forms _____ filed for the previous _____ years were reviewed. It was determined that a Form _____ was not filed for the tax years ended _____, _____, and _____. The Forms _____ from _____ to _____ were inspected. A spreadsheet of the income, expenses and balance sheet was prepared from these documents and the following was determined:

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 (<i>last 4 digits</i>)	Year/Period ended

INCOME

Sources of Funds

From the fiscal years , through , the derived income and net gain loss from sources it reported as ; and ; and net loss from of . All the were by . (see Exhibit for detail for each year)

Contributions- cash

The reported a total of \$ in income on their Forms made a in each of the fiscal years and a return was filed for a total of \$.

Contributions- non-cash

A total of \$ in non-cash contributions was donated to . During the fiscal year ended , a valued at \$ and a valued at \$ was donated to . The internet was researched, and was determined to be an and a was a from the . (see Exhibit) During the fiscal year ended , the received a contribution of valued at \$.

Dividends and interest

Dividend and interest income reported on Forms from fiscal years ended and , was derived from held at . The total interest income was \$.

Net gain (loss) from sale of assets

Total losses of \$() were reported on the . During the fiscal year ended , the reported a of \$(). Part of the Form identified the item sold was a that was purchased on and sold on . The loss was computed using the sales price of \$ less the cost of \$. During the year ended , the reported a loss of \$(). Part of the Form reported the loss on an .

EXPENSES

From the fiscal years through , the reported expenses for ; fees; other expenses and contributions. (see Exhibit for detail for each year)

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 <i>(last 4 digits)</i>	Year/Period ended

Use of Funds

The _____ reported a total of \$ _____ in expenses on their Forms _____. A total of \$ _____ in fees; \$ _____ in fees; \$ _____ in other expenses and \$ _____ in contributions. Contributions were made by the _____ in _____ of the _____ years. Part _____, section _____ of the Form _____ reported the following recipients of contributions from the _____ Foundation (see Exhibit _____):

- _____ contributions to _____ for a total of \$ _____
- _____ contributions to _____ for a total of \$ _____
- _____ contribution to _____ for \$ _____
- _____ contributions to _____ for a total of \$ _____
- _____ contributions to _____ for a total of \$ _____
- _____ contribution to _____ for \$ _____

BALANCE SHEET

From the fiscal years _____ through _____, the _____ reported assets that included cash, receivable from officers, directors, trustees etc, and other assets. (see Exhibit _____ for detail for each year)

Receivables from officers, directors trustees etc.

During the fiscal year _____, the _____ reported receivables from officers, directors, trustees on the Form _____ in the amount of \$ _____.

During the fiscal year _____, the Form _____ reported an asset of \$ _____ labeled as _____. Bank records submitted during the examination revealed that there was a _____ out of the _____ on _____, to _____ in the amount of \$ _____. Bank records also showed a deposit of \$ _____ into the _____ account on _____. _____ workpaper submitted during the examination described the payment as receipt of _____.

The Form _____ instructions for Line _____-receivables due from officers, directors, trustees, and other disqualified persons loans requests additional information in an attached schedule for each loan that included the following:

1. _____
2. _____
3. _____

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

4. ,
5. ,
6. ,
7. ,
- 8.
9. , and
10. Description and fair market value of the consideration furnished by the lender

A schedule that included the above information about with was not submitted with Forms filed for and .

Other assets

The other assets consisted of ; ; and .

The has been reported on the Form since . The was valued on the Form as \$ on all Forms filed.

The and were donated during and have been valued at \$ and \$ respectively on the subsequent Forms .

The was purchased during the fiscal year ended and sold at a loss the subsequent fiscal year ended .

The Form for the year ended reported an investment in valued at \$. Bank records submitted during the examination revealed the wrote check # on to for . The workpapers for the year ended reported the amount as an . The entire investment of \$ was written off as a loss during the year ended . A google search for was conducted and no information could be found. An Search was conducted, and it was determined that was a domestic that involuntarily dissolved . The agent and manager listed was . (see Exhibit)

For more information on Bank Refund Due see above section- *Receivables from officers, directors trustees etc.*

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

The _____ were donated during _____ and valued at \$ _____. The subsequent year the value dropped to \$ _____.

No Liabilities were reported on the Forms _____.

Forms under Examination

An examination of the Forms _____ filed by the _____ for the fiscal years ended _____; _____ and _____ was initiated. The following information was secured from a review of the filed Forms _____.

In response to Part _____, Line _____, the following statement was included on the Forms _____ about the _____ purpose:

“The _____ purpose is to _____, _____ and _____ the _____ in its _____ for the _____ and _____ of _____. The entire cash balance is being held for future _____ and _____ of the _____ and to pay the _____ expenses.”

INCOME

Sources of Funds

The _____ reported a total of \$ _____ in income for the fiscal year ended _____. The income was _____ donated _____ and \$ _____ in interest. There was no income for the fiscal year ended _____ and no income for the fiscal year ended _____.

	/ /	/ /	/ /	TOTAL
Contributions-cash	-	-	-	-
Contributions-Noncash		-	-	, .
Interest	, .	-	-	, .
TOTAL	, .	-	-	, .

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 <i>(last 4 digits)</i>	Year/Period ended

EXPENSES

Use of Funds

The _____ reported a total of \$ _____ in expenses for the fiscal year ended _____ ; no expenses for the fiscal year ended _____ and \$ _____ in expenses for the fiscal year ended _____. The expenses were \$ _____ in _____ ; \$ _____ in _____ fees and \$ _____ in _____ fees. There were _____ made in any of the years.

	/ /	/ /	/ /	TOTAL
EXPENSES				
Accounting fees		-		
Other expenses				
State fees	-	-		
Bank fees	-	-		
Contributions	-	-	-	-
TOTAL				

BALANCE SHEET

The _____ Balance Sheet reported assets that included _____, _____ from _____, _____, _____, other notes receivable and other assets. The other assets consisted of _____; _____; _____; _____; _____ and _____. No _____ were reported on the Forms _____.

Receivables from officers, directors trustees etc.

During the fiscal year _____, the _____ reported receivables from officers, directors, trustees on the Form _____ in the amount of \$ _____.

The Form _____ instructions for Line _____-receivables due from officers, directors, trustees, and other disqualified persons loans requests additional information in an attached schedule for each loan that included the following:

1. _____,
2. _____,

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

3. ,
4. ,
5. ,
6. ,
7. ,
- 8.
9. , and
10. Description and of the consideration furnished by the

A schedule that included the above information about receivables with officers was not submitted with Forms filed for , and .

Other notes and loans receivable

During the fiscal year , the reported other notes and loans receivable in the amount of \$.

Other assets

The other assets of ; ; ; are reported on all years at the same value in the historical Forms .

In addition to the that were donated during ; an additional donation of were donated during . The value of the coins rose from \$ in , to \$ in to \$ in .

The balance sheet for the reported fixtures valued at \$.

	/ /	/ /	/ /
ASSETS			
Cash non-interest			
Receivables from officers, directors, trustees			
Other notes and loans receivable	-	-	
Other assets			

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 <i>(last 4 digits)</i>	Year/Period ended

TOTAL			

A further review revealed that significant sections of the _____ returns were either incomplete, had _____ or was _____. This included:

- Part V Qualification under Section 4940(e) for Reduced Tax on Net Investment Income. Column (c) and (d) had _____
- Part VI Excise Tax Based on Investment Income. Fields had _____
- Part IX-A Summary of Direct Charitable Activities section contained _____
- Part IX-B Summary of Program Related Investments contained _____
- Part X Minimum Investment Return section- Cash deemed held for charitable use assets was the fair market value of total assets. Minimum investment return was _____
- Part XI Distributable Amount section was _____
- Part XII Qualifying Distributions section. Fields had _____
- Part XIII Undistributed Income section was _____
- Part XIV Private Operating Foundations section. The box for private operating foundation under section 4942(j)(3) was _____. The adjusted net income was _____ for the current and _____ prior years. The _____ % of the adjusted net income was _____ for the current and _____ prior years. The value of assets and the value of assets qualifying under section 4942(j)(3)(B)(i) was _____
- Part XV Supplementary Information Grants and Contributions Paid during the Year or Approved for Future Payment. This section contained _____ ;
- Part XVI-A Analysis of Income Producing Activities section included interest income of \$ _____ in _____ and was _____ for _____ and _____ ; and
- Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purpose section stated interest was used to pay expenses of foundation for _____ ; was _____ for _____ and _____

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

Forms Filed

A Form _____ was submitted by the _____ for the fiscal year
 ended _____ and received by the Internal Revenue Service on _____. The return
 reported _____ acts of _____ with _____.

ACT NO.	DATE OF ACT	DESCRIPTION	AMOUNT INVOLVED
1	/ /		
2	/ /		
3	/ /		
4	/ /		
5	/ /		
6	/ /		
		TOTAL	

The following statement regarding the transactions was included on the Form _____ :

“The _____ to a _____ during the tax year. These transactions
 are activities - _____ and the dates they occurred are listed in Schedule _____. The funds were borrowed
 for a business activity operated by the _____. It is the _____ intention
 to repay the amount _____, including _____, as soon as the funds are available. At the time
 the return was filed the _____ did not have the funds available to _____.
 However, _____ is scheduled to be repaid in _____.”

Examination

Correspondence and responses to IDR's

An examination of the Foundation Forms _____ for the fiscal years ended _____,
 _____, and _____ was initiated when Appointment Letter 3611, Information Document
 Request No 01 (“IDR-01”) and Publication 1 that was mailed out on _____. IDR-01
 requested such information as: organizing documents; an interview; tour of residence and assets;
 documents and financial records (see Exhibit _____).

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

There was no response to Appointment Letter 3611, so on _____ the phone number from Part VII-A the books are in care _____ was called and there was a message that the mailbox was full and cannot accept messages at this time. Then the phone number from Part B- Telephone number was called and there was a message that the number had been disconnected.

On _____, a cover letter with a copy of Letter 3611, IDR-01, and Publication 1 was mailed to _____ by _____. The response due date was _____. On _____, the status of the _____ was checked on the _____. Attempted delivery of the letter was _____ and a notice was left.---- *If this item is unclaimed by _____ then it will be returned to sender.* The _____ was subsequently returned to the Internal Revenue Service.

The preparer of the return, _____, was contacted on _____ in order to secure contact information for the _____. On _____, a copy of the initial audit letter of Letter 3611, IDR-01, and Publication 1 was faxed under the cover of Letter 3597 to _____.

On _____, the following documents were received by fax from _____, with _____ pages:

- A fax cover sheet dated _____
- A letter from _____ with a list of items requested in the order shown in the IDR and a note as to if they exist, are in the process of obtaining or are attached. The response to the request for minutes was none. (see Exhibit _____)
- A copy of Letter 3611 and IDR-01 dated _____
- L _____ Bank checking account statements and cancelled checks for _____ through _____
- _____ Bank _____-day CD account statements for _____ through _____
- _____ Bank _____-month CD account statements for _____ through _____
- _____ workpapers of trial balance, journal entries and cash analysis for tax years _____; _____; and _____
- Form 8283 Noncash Charitable Contributions for _____ for _____ of _____ - FMV- \$ _____
- Invoice from _____ & _____, dated _____ - - for the preparation of _____ exempt organization tax return in the amount of \$ _____
- Cashier's check paid to the order of _____ & _____ dated _____ - - for \$ _____
- Invoice from _____ & _____, dated _____ - - for the preparation of the Forms _____, _____ and _____ Annual Report for the _____

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

; and for research of self-dealing and preparation of Forms for
in the amount of \$.
• Email from to cc - Re: -- dated - - .
was thanked for the of (\$ face value
denomination) with a value of \$ to the . Signed by

The response to IDR-01 was reviewed and determined to be incomplete.

The bank statements submitted were reviewed and the following transactions were noted for the
during the fiscal year to . There was a total of \$ transferred
out the bank accounts. An invoice was submitted from & for the payment of
\$, for preparation of the return. No documentation was submitted for the transfers to

Date	Transaction	Amount
/ /		()
/ /		()
/ /		()
/ /		()
/ /		()
/ /		()
/ /		()
	TOTAL	()

The bank statements were reviewed and there was no financial activity noted during
through

The bank statements submitted were reviewed and the following transactions were noted for the
during the fiscal year to . There was a total of \$ transferred
out the bank accounts. An invoice was submitted from & for the payment of
\$, for services provided. No documentation was submitted for the transfer to
, ; but the workpapers for the fiscal year ended , identified
the \$ as a . Also, no documentation was submitted for check #
to ; and for check # to . The Secretary of State

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

website was reviewed, and _____ was determined to be a _____ (“_____”). The _____ state records also identified _____ as the _____ member and registered agent. The bank statements also showed a wire transfer into the checking account by _____ on _____ in the amount of \$ _____.

Date	Transaction	Amount
		()
		()
		()
		()
		()
		()
		()
		()
		()
	TOTAL	

On _____, a _____ was held with _____, _____. It was discussed that _____ was out of town and the difficulties with getting documentation. Discussed the fact that the _____ amount was not reported on the Form _____. _____ stated that _____ researched the issue and found some exclusion to making _____ if you had no _____ was informed that follow-up Information Document Requests will be faxed to _____ the next day.

In a follow-up to the incomplete response to IDR-01, Cover letter 5464 with Information Document Requests 02-Follow up to IDR-01 and 02 _____ Amount were faxed to _____ on _____ (see Exhibit _____). The response due date was _____. Attached to the cover letter was the following:

- Information Document Request 02- Follow up to IDR-01. Section A- items missing from IDR-01 and Section B- additional documents based on the review of the documents submitted.

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

- Information Document Request- 02 Amount. Stated was not an and was required to make Section A- bank statements and cancelled checks; and appraisals and other valuations of the property for fiscal years ended , , , and . Section B- Documentation of what was relied upon in the determination that the foundation qualified for an exception to the requirement.

On , faxes were received from , .

One of pages with the following documents in response to IDR-02- Follow up to IDR-01:

- A fax cover sheet dated
 - A letter from dated
 - Only for
 - A copy of Fax Transmission Cover Sheet from IRS to dated
 - workpapers for computation of Line 1c- Return. of all other assets from Part
- Copy of Letter 3597, Letter 5464, IDR-02 and IDR-03 dated

A second fax of pages with the following documents in response to IDR-02- Follow-up to IDR-01:

- A fax cover sheet dated
- Facsimile cover sheet dated
- Copy of the front and back of Check # to
- Copy of the front and back of Check # to

The response to 02-Follow up to IDR-01 and 02 Distributable Amount was reviewed and determined to be incomplete.

The following subsequent correspondence was between the IRS, and the

Date Mailed	Correspondence	Mailed to:	Due date
/ /	Letter 5464, IDR -02 and IDR -03(corrected number)		N/A
/ /	Letter 3597, Letter 5464, IDR -02 and IDR -03(corrected number)		N/A

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 (<i>last 4 digits</i>)	Year/Period ended

/ /	Letter 3600 Consent Request, Form 872 For Income and Excise tax IRC 4940 (3 copies), Form 872 for Excise taxes IRC 4942, 4944 and 4945 (3 copies) and Publication 1035 to request extension of the statute of limitations.		/ /
/ /	Letter 3597, Letter 3600 Consent Request, Form 872 For Income and Excise tax IRC 4940 (3 copies), Form 872 for Excise taxes IRC 4942, 4944 and 4945 (3 copies) and Publication 1035 to request extension of the statute of limitations.		/ /
/ /	Letter 3600 Consent Request, Form 872 (updated revision) For Income and Excise tax IRC 4940 (3 copies), Form 872 (updated revision) for Excise taxes IRC 4942, 4944 and 4945 (3 copies) and Publication 1035 to request extension of the statute of limitations.		/ /
/ /	Letter 3597, Letter 3600 Consent Request, Form 872 (updated revision) For Income and Excise tax IRC 4940 (3 copies), Form 872 (updated revision) for Excise taxes IRC 4942, 4944 and 4945 (3 copies) and Publication 1035 to request extension of the statute of limitations.		/ /
/ /	Letter 3599 Consent Follow up, Publication 1035		/ /
/ /	Letter 3599 Consent Follow up, Publication 1035		/ /
/ /	Signed Forms 872; workpapers of trial balance, journal entries, and cash analysis for and		
/ /	Letter 5077-D IDR Delinquency Notice, IDR-02 and IDR-03.- Certified Mail		/ /
/ /	Letter 3597, Letter 5077-D IDR Delinquency Notice, IDR-02 and IDR-03.- Certified Mail		/ /
/ /	Letter 5077-A Pre-Summons Notice and IDR-02 and IDR-03-Certified Mail.		/ /
/ /	Letter 3597, Letter 5077-A Pre-Summons Notice and IDR-02 and IDR-03-Certified Mail.		/ /

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

/ /	Letter 3598 Transmittal of Signed consent, Signed Form 872 For Income and Excise tax IRC 4940, Signed Form 872 for Excise taxes IRC 4942, 4944 and 4945		
/ /	Letter 3597, Letter 3598 Transmittal of Signed consent, Signed Form 872 For Income and Excise tax IRC 4940, Signed Form 872 for Excise taxes IRC 4942, 4944 and 4945		
/ /	workpapers of trial balance, journal entries, and cash analysis for , and		
/ /	Letter 3164- Third Party Contact		
/ /	Letter 3597 and Letter 3164- Third Party Contact		
/ /	Bank statements for , and		

As of the last information submitted, the response to IDR-02 and IDR-03 was still incomplete and did not submit to an interview about the activities of

Activities

The internet was searched for activities and there was no record a website or any mention of activities conducted by . The referred to in purpose on the Form was researched. The is the designed by in (see Exhibit). According to the property tax information for was the owner of the . (see Exhibit) The was researched on the website and under accessibility was identified as (see Exhibit). The website included a list of , and the was not included on the list (see Exhibit).

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 <i>(last 4 digits)</i>	Year/Period ended

On _____, an Initial examination report was issued that proposed the revocation of _____ exempt status under IRC 501(c)(3). No written position was submitted that addressed the proposed revocation.

Subsequently, the examination continued, and additional Information Document Requests were issued.

Information provided after initial examination report

On _____, Information Document Request No 4 (“IDR-04”)- Activities and Operations was issued to request documentation of the activities and operations of _____. Also, Information Document Request No 5 (“IDR-05”)- Balance Sheet was issued to request documentation of the Balance Sheet assets of _____ and a _____ purchased by _____. The response due date was _____.

On _____, the following documents dated _____ - _____ were received in response to IDR-04:

- Newspaper/Book articles and _____ of the _____
Handwritten proposal pages for _____
- Partial brochure for _____
- Handwritten _____ mission statement and statement of purpose
Bylaws of _____
- Correspondence- requests to view _____ ; thank you letters; requests to _____ the _____ ; and _____ in books.

Also received on _____, were documents in response to IDR-05 were:

- _____ loan agreements that outlined the terms of the agreements between _____ and _____ for loans that totaled \$ _____. The _____ documents submitted indicated _____

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

that the purpose of the _____ to _____ were for “ _____ .”
 signed the agreements as both the _____ and _____ .

DATE	/ /	/ /	/ /	/ /	/ /	/ /
BORROWER						
AMOUNT						
DELIVERY METHOD						
TERMS	months maximum; % interest	% interest, Balloon payment	% per annum, Balloon payment	% yr interest, Balloon payment	% int yearly, Balloon payment or Principal + interest	% interest yearly, Balloon payment of both Principal and Interest
PAYOFF DATE	by _____, or earlier	month maximum	No later than - -	No later than - -	-year note, no prepayment penalty	up to _____ years, / /
PURPOSE	Funding negative cash from	Funding negative cash from	Funding negative cash from	Funding negative cash from	Funding negative cash from and	Negative cash flow from projects- , and

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

COLLATERAL						
SIGNATURE OF BORROWER						
SIGNATURE FOR	President	President	President	President	President	President
INTEREST PAYMENTS	-	-	-	-	-	-
PAYOFF DATE	//	//	//	//	None	None
PAYOFF AMOUNT					None	None

- One _____ that outlined the terms of the agreement between _____ and the _____ for a _____ that totaled \$ _____ . The _____ document submitted indicated that the purpose of the _____ to _____ was to fund a move to _____ , _____ .

DATE	//
BORROWER	_____ or _____
AMOUNT	_____ , _____ .
DELIVERY METHOD	Wire to Property Owner-

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

TERMS	% per annum, until receives payment of approx \$, which has been awarded. Interest yearly.
PAYOFF DATE	year note- extension possible; / / No prepayment penalty
PURPOSE	wishes to move to as soon as guaranteed full is paid in full.
COLLATERAL	None
SIGNATURE OF BORROWER	
SIGNATURE FOR LENDER	, President
INTEREST PAYMENTS	Interest payments- \$, . ; , - \$, .
PAYOFF DATE	None
PAYOFF AMOUNT	None

- Documentation of Check # to for \$, dated , ; and Check # to for \$, dated , .

documents for the purchase of the fixture signed by :

The , document stated the following:

*"To record the payment of \$, to for the purchase
Of:
Purchased on Behalf of the by
Individually.*

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

Payment of \$, to of \$, on Today's date.
Balance of \$, to be paid as payment in full.

to be securely stored in the ”

The , document stated the following:

“On this date, we make a final Payment for of
to

This final Payment is \$, , payable from Check # .”

- Additional documentation submitted was information about the
from the in , ; and a description from
the . Also submitted was a letter dated , ,
from that certified the was purchased by on
, , for \$, .

On , Information Document Request No 6 (“IDR-06”)- Activities and Operations
follow up was issued to request documentation of activities conducted by during the
years under examination from , to . Also, Information Document
Request No 7 (“IDR-07”)- Balance Sheet follow up was issued to request additional information
regarding questions about the , documentation of the of the and payment of
the . The response due date was , .

On , the following documents were received in response to IDR-06 (see Exhibit):

- for
- Emails regarding - in , one in and one in

Also received on , , were the following statements that provided clarification on the
listed in the terms of the with and (see
Exhibit).

- - “The identified in these were not intended to be
. They were identified only to show to repay the . The assets
shown in these notes were for the expressed purpose of showing sufficiency of assets to

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

. The intent was to show the had the ability to . The financial condition of was not impaired as the has been .”

- - “The payment was noted to show ability to the . The financial condition of was not impaired as the has been .” No documentation of the was provided. No documentation was provided of any actions taken when the was not paid in and .

In addition, in response to IDR-07 the following documentation was submitted of payments made on made by

- On , submitted bank statements through , that reported the of and made to checking account by by and deposit. No documentation that was submitted. A statement was provided that “ management has determined the outstanding is \$, . The will be paid in days.” The bank statements also reported repayments of and made to by .
- On , bank statements were submitted that showed the payment by and the final payment for made in to checking account .
- the submitted a bank statement on , that showed a deposit of the made by to checking account by on .

Date	Description	Amount	Principal	Interest	Purpose of payment
/ /					
/ /	Deposit				
/ /	Deposit				
/ /	Deposit				
/ /					
/ /					

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

/ /	Deposit Transfer from				
/ /	Deposit				
/ /					
	TOTAL				

Tour

On , a of the was provided to Revenue Agent
 by , an who assisted in the
 According to it was one of the greatest and the
 style. both the and . A was conducted
 of the such as the in the / and
 such as a - - replica from .
 also was asked to show listed on the balance sheet. The following was
 shown to the Revenue Agent:

- - by ; and
of were stored against the
- - was a in the
- - located under the
- - stored in at the bank
- - The stored in box with in
the .

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 (<i>last 4 digits</i>)	Year/Period ended

LAW:

Internal Revenue Code section 501(c)(3) exempts from federal income tax corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, 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, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Internal Revenue Code section 6001 Every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

Internal Revenue Code section 6033 (a)(1) Organizations required to file- In general. Except as provided in paragraph (3), every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treasury Regulations section 1.501(c)(3)- 1(a)(1) Organizational and operational tests. 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.

Treasury Regulations section 1.501(c)(3)- 1(b)(1)(i) Organizational test—In general. An organization is organized exclusively for one or more exempt purposes only if its articles of organization (referred to in this section as its articles) as defined in subparagraph (2) of this paragraph:

- (a) Limit the purposes of such organization to one or more exempt purposes; and

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 (<i>last 4 digits</i>)	Year/Period ended

(b) Do not expressly empower the organization to engage, otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes.

Treasury Regulations section 1.501(c)(3)-1(b)(1)(iii) An organization is not organized exclusively for one or more exempt purposes if its articles expressly empower it to carry on, otherwise than as an insubstantial part of its activities, activities which are not in furtherance of one or more exempt purposes, even though such organization is, by the terms of such articles, created for a purpose that is no broader than the purposes specified in section 501(c)(3). Thus, an organization that is empowered by its articles to engage in a manufacturing business, or to engage in the operation of a social club does not meet the organizational test regardless of the fact that its articles may state that such organization is created for charitable purposes within the meaning of section 501(c)(3) of the Code.

Treasury Regulations section 1.501(c)(3)- 1(b)(4) Distribution of assets on dissolution. An organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. An organization's assets will be considered dedicated to an exempt purpose, for example, if, upon dissolution, such assets would, by reason of a provision in the organization's articles or by operation of law, be distributed for one or more exempt purposes, or to the Federal Government, or to a State or local government, for a public purpose, or would be distributed by a court to another organization to be used in such manner as in the judgment of the court will best accomplish the general purposes for which the dissolved organization was organized. However, an organization does not meet the organizational test if its articles or the law of the State in which it was created provide that its assets would, upon dissolution, be distributed to its members or shareholders.

Treasury Regulations section 1.501(c)(3)- 1(c)(1) Operational test—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.

Treasury Regulations section 1.501(c)(3)- 1(d)(1)(i) Exempt purposes- In general. An organization may be exempt as an organization described in section 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes:

- (a) Religious,
- (b) Charitable,
- (c) Scientific,
- (d) Testing for public safety,
- (e) Literary,

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 <i>(last 4 digits)</i>	Year/Period ended

- (f) Educational, or
- (g) Prevention of cruelty to children or animals.

Treasury Regulations section 1.501(c)(3)- 1(d)(1)(ii) An organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of this subparagraph unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Private foundations are generally divided into two types: private operating foundations (as defined in Internal Revenue Code section 4942(j)(3)) and private non-operating foundations. Among other things, Internal Revenue Code sections 4942(a)(1) and 4942(b) provide that operating foundations are not subject to the initial and additional taxes under Internal Revenue Code section 4942 for failure to distribute income.

Treasury Regulations sections 53.4942(b)(1) and (2) provide that, in order to qualify as an operating foundation, a private foundation must satisfy an income test and one of the following tests: the assets test, the endowment test, or the support test.

Treasury Regulations section 1.6001-1(a) In general. Except as provided in paragraph (b) of this section, any person subject to tax under Subtitle A of the Code (including a qualified State individual income tax which is treated pursuant to section 6361(a) as if it were imposed by chapter 1 of Subtitle A), or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax or information.

Treasury Regulations section 1.6001-1(c) Exempt organizations. In addition to such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by section 6033.

Treasury Regulations section 1.6001-1(e) Retention of records. The books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law.

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 (<i>last 4 digits</i>)	Year/Period ended

Treasury Regulations section 1.6033-2(i)(2) Every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of subchapter F (section 501 and following), chapter 1 of subtitle A of the Code, section 6033, and chapter 42 of subtitle D of the Code. See section 6001 and § 1.6001-1 with respect to the authority of the district directors or directors of service centers to require such additional information and with respect to the books of account or records to be kept by such organizations.

In Rev. Rul. 58-617, 1958-2 CB 260, (Jan. 01, 1958) Rulings and determinations letters granting exemption from federal income tax to an organization described in section 501(a) of the Internal Revenue Code of 1954, to which contributions are deductible by donors in computing their taxable income in the manner and to the extent provided by section 170 of the Code, are effective only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. Failure to comply with this requirement may result in serious consequences to the organization for the reason that the ruling or determination letter holding the organization exempt may be revoked retroactively to the date of the changes affecting its exempt status, depending upon the circumstances involved, and subject to the limitations on retroactivity of revocation found in section 503 of the Code.

In Rev. Rul. 59-95, 1959-1 C.B. 627, an exempt organization was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

In Rev. Rul. 67-5, 1967-1 C.B. 123, a foundation controlled by the creator's family is operated to enable the creator and his family to engage in financial activities which are beneficial to them, but detrimental to the foundation. This has resulted in the foundation's ownership of non-income-producing assets which prevent its carrying on a charitable program commensurate in scope with its financial resources. Held, the foundation is operated for a substantial non-exempt purpose and serves the private interests of the creator and his family, and therefore is not entitled to exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

In Rev. Rul. 74-600, 1974-2 C.B. 385, the placing of paintings owned by a private foundation in the residence of a substantial contributor, a disqualified person, constitutes an act of self-dealing under section 4941(d)(1)(E) of the Code.

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 <i>(last 4 digits)</i>	Year/Period ended

In Better Bus. Bureau v. United States, 326 U.S. 279 (1945), the United States Supreme Court held that for an organization to qualify for tax exempt status, the organization must be exclusively devoted to an exempt purpose and the presence of a single nonexempt purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly exempt purposes.

In Community Education Foundation v. Commissioner, T.C. Memo 2016-223, the Tax Court held that Community Education Foundation, no longer qualified for exemption from Federal income tax under section 501 (a) because it did not meet the operational test requirements for a section 501(c)(3) organization. Specifically, the organization over time did not meaningfully organize or allocate resources to any of its activities mentioned in its application for exemption.

In Salvation Navy v. Commissioner, T.C. Memo 2002-275 (2002), the court found that one of the reasons why the organization did not qualify for exemption from federal income tax was because it could not provide that its net earnings would not inure to the benefit of a private individual which was its founder.

In Greg R. Vinikoor v. Commissioner, T.C. Memo. 1998-152, the Tax Court held that whether a financial transaction constitutes a loan depends on all the facts and circumstances, including whether (1) there was a promissory note or other evidence of indebtedness; (2) interest was charged; (3) there was security or collateral; (4) there was a fixed maturity date; (5) a demand for repayment was made; (6) any actual repayment was made; (7) the transferee had the ability to repay; (8) any records maintained by the transferor and/or the transferee reflected the transaction as a loan; and (9) the manner in which the transaction was reported for Federal tax purposes.

In Old Dominion Box Co., Inc. v. United States, 477 F.2d 340 (4th Cir. 1973) the Court said operating for the benefit of private parties who are not members of a charitable class constitutes such a substantial nonexempt purpose.

In Leon A. Beeghly v. Commissioner, 35 T.C. 490 (1960), provided that where an exempt organization engages in a transaction with a related interest and there is a purpose to benefit the private interest rather than the organization, exemption may be lost even though the transaction ultimately proves profitable for the exempt organization.

TAXPAYER'S POSITION

No formal written position has been provided to the initial report issued

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

Activities

In response to IDR-06 and the request for documentation of activities during the years under examination the following statements were provided in writing (see Exhibit):

3. Documentation of such as of the and the use of the for . This includes but is not limited to , , , etc.

"During the period under audit there were of the . We have enclosed and related to the .

at the decreased materially after the of in of which took place in the . We have attached the newspaper articles related . There was also coverage of the on the at the time. Because of the of the the was not suitable for as it was prior to

At this time the of ceased to provide to the and of the were removed from the website. Due to these various factors management determined a cooling off period would be in the best interest of all involved."

4. Documentation of any other activities conducted by

" are scheduled in and another in the near future. See attached."

5. According to Revenue Ruling - , - , the placing of owned by a in the of a , a constitutes an of - under section (d)(1)(E) of the Code. owns (, , , and) which are maintained in the of , a . Explain how each of these of the

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

Ruling - further an exempt purpose under IRC 501(c)(3) taking into consideration Revenue

"Revenue Ruling - describes a situation where are on resulting in the receiving a from the .

After placing of its on in various for a of the placed them in the of a , a within the meaning of section (a)(1)(A) of the Code. The are with the in a of the devoted to and other works of ."

The in question are only stored in the . would incur additional expense if they additional .

We would also note did not in the , to (the period under audit). Therefore, unlike the situation referred to in Revenue Ruling - received no benefit from these being at

GOVERNMENT'S POSITION

It is the government's position that you are a and that your exemption under section 501(c)(3) should be revoked effective , .

Type of Private Foundation

On your Forms you represent as an under IRC § (j)(3); however, the facts show that you are a , in the exemption letter issued by the IRS dated , which was based on representations you made in an application for recognition of exemption, the IRS concluded that was , you have not shown that during the years at issue that you as a because you do not meet the income test or any of the three alternative tests. To meet the income test, a must spend at least 85 percent of its adjusted net income or its minimum investment return, whichever is less, directly for the active conduct of its exempt activities. Treas. Reg. § 53.4942(b)-1(a)(1). Here, you do not make to

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

accomplish an exempt purpose. You also do not satisfy any of the alternative tests. The first alternative test is the asset test. To meet the asset test, substantially more than half of the fair market value of a foundation's assets must be devoted substantially to the active conduct of exempt activities. Treas. Reg. § 53.4942(b)-2(a)(1). On Part XIV of the Form it is reported that % of the are used directly for the direct conduct of the exempt activities. However, substantially more than half of your were directly to the active conduct of exempt activities. essentially have no exempt activities. Most of the were out to and . The were for the purposes of and and not for any exempt activities. The alternative test is the endowment test. Generally, to meet the endowment test, a foundation must make qualifying distributions directly for exempt purposes of at least 2/3rd of the minimum investment return. Treas. Reg. § 53.4942(b)-2(b)(1). Here, you make qualifying distributions directly for exempt purposes that were at least 2/3rd of its minimum investment return. The third alternative test is the support test. There are three requirements to meet the support test:

1. At least 85 percent of its support (other than gross investment income) is normally received from the general public and 5 or more unrelated exempt organizations,
2. Not more than 25 percent of its support (other than gross investment income) is normally received from any one exempt organization, and
3. Not more than 50 percent of its support is normally received from gross investment income.

Treas. Reg. § 53.4942(b)-2(c)(1).

Here, you had from the general public, no support from exempt organizations and \$, of gross in with no in and does not meet the support test.

You do not meet the income test or any of the three alternative tests. You are not a , but a private exempt under IRC § 509(a).

Exemption as a Private Non-Operating Foundation

The organization does not qualify for exemption under IRC § 501(c)(3) for the following reasons:

1. The purpose to , , and for the upkeep of is not an exempt purpose.
2. The 's activities do not meet the operational test under IRC § 501(c)(3).

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

3. The assets inured to the benefit of the

Exempt Purpose

Pursuant to your Form 1023 application the was formed to:

“To receive contributions from the Initial member and to provide programs and activities to , and .”

Pursuant to you Form 990-PF, the was formed to:

“to , and maintain the benefit and enjoyment of . The entire cash balance is being held for future improvement’s and of the and to pay the”

The purpose per the Form 990-PF is different than the from the Form 1023 application. Sometime after the IRS granted exemption to the , its purpose changed from the of , and to the of , specifically the of which is a . The purpose to , and for the upkeep of is not an exempt purpose described in Treas. Reg. § 1.501(c)(3)- 1(d)(1)(i).

Operational test

In order to meet the operational test, an organization must show that they engaged primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Internal Revenue Code (Treasury Regs. § 1.501(c)(3)- 1(c)(1)).

The activities of a exempt under IRC § 509(a) are to make charitable contributions. Historically the only made charitable contributions of \$ from fiscal years , to . During the under examination the made no charitable contributions. The response to Part XV Supplementary Information, Grants and contributions paid during the year was .

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 (<i>last 4 digits</i>)	Year/Period ended

Per the filed Forms 990-PF, Part IX-A (Summary of Direct Charitable Activities), the [redacted] did not report any charitable activities during the [redacted]. The only response was [redacted]. No documentation has been provided that shows the [redacted] has made the [redacted] available for [redacted]. In fact, [redacted] that are exempt under IRC § 501(c)(3) identify the [redacted] as [redacted] to the [redacted].

As a [redacted], the [redacted] was required to make minimum distributions of the assets that it holds. The [redacted] did not make the [redacted] of its [redacted] in [redacted] during the [redacted], to [redacted]. During the examination, the [redacted] made the statement there was some exclusion to making distributions if you had no [redacted]. Information that was relied on to support this position was requested in IDR-03 and nothing was submitted in response. The [redacted] should have made distributions from all [redacted], not only the [redacted]. Investing in non-[redacted] does not relieve a [redacted] from the distribution requirement.

Information document requests No 04 and 06 were issued to request documentation of any other activities conducted by the [redacted]. In response to IDR-04, the [redacted] submitted correspondence and documentation of [redacted] from [redacted]. This documentation consisted of requests to [redacted]; requests to [redacted]; and [redacted]. In response to IDR-06, it was stated that the [redacted] was in a “ [redacted] ” due to the [redacted] and [redacted] from the [redacted]. The [redacted] submitted [redacted] of [redacted] organized by the [redacted], with [redacted] in [redacted] and [redacted] in [redacted]. Also submitted was an email for [redacted]. This showed the [redacted] extremely limited [redacted]. The [redacted] has no regular established programs to [redacted] or [redacted].

As demonstrated in Rev. Rul. 58-617, an organization’s exempt status will remain in effect only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. In the court case Community Education Foundation v. Commissioner, T.C. Memo. 2016-223, the court concluded that the organization over time did not meaningfully organize or allocate resources to any of its activities no longer qualified for exemption. The [redacted] has not established that it conducted regular and ongoing exempt activities. The [redacted] made charitable contributions that totaled \$ [redacted] over the previous [redacted]. The [redacted] has not made any meaningful [redacted] in the previous [redacted] and no charitable contributions at all during the [redacted].

Due to its [redacted] over a period of [redacted], the [redacted] has failed to meet the operational requirements to continue exemption under IRC § 501(c)(3).

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 <i>(last 4 digits)</i>	Year/Period ended

Use of Funds/Assets

Treasury Regulations § 1.501(c)(3)- 1(d)(1)(ii) states an organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of this subparagraph unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

It has not been established that the _____ of the _____ have been used for anything other than the _____ of _____ and for the _____ of _____.

The _____ of the _____ have been used to benefit _____, _____, and _____.

Transfers of Funds

_____ used the bank accounts for _____ and on several occasions _____ from the _____ to _____. In _____ he _____ \$ _____ and in _____ he _____ \$ _____. During the _____ in _____ and _____ made _____ of funds for a total of \$ _____. In response to IDR-05, _____ were received on _____, _____. According to the _____ the purpose of the _____ was for “_____.” No _____ was provided to the _____. According to the _____ was listed on the _____ to _____ had _____ to _____ the _____. You have not shown that any of _____ were for exempt purposes. In addition, the transfer of \$ _____, which constituted more than _____ of all of the _____, constitutes significant inurement to a _____.

In addition, during _____, a _____ in the amount of \$ _____ was sent from the _____ to _____. According to the accountant’s workpaper the expenditure was a _____ appears to be _____. The transaction was reported on the Form 990-PF balance sheet on Line 7- other notes and loans receivable. In response to IDR-05, a _____ with _____ was received on _____, _____. The purpose of the _____ to _____ was to _____, _____. No _____ was provided to the _____ for the _____. According to the _____ of disability _____ t was listed on the _____ to show _____ had the ability to _____, but no _____.

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 <i>(last 4 digits)</i>	Year/Period ended

documentation was submitted that _____ was due a \$ _____ disability _____. Also, the terms of the _____ were that _____ would be _____, yet there was no _____ in _____ and _____, and no documentation that any action was taken when the _____ were not made.

These _____ provided no protections for the _____ in case of default, _____, or any other change in _____. No bank would make a _____ percent _____, and if they did the _____ would generally be at a _____ due to the risk associated with an _____.

There are no minutes of _____ approval of _____. According to Article 6 of the Articles of Incorporation, _____ has the power to approve the transfer of the corporation's _____ in excess of \$ _____, by _____ as _____. The bylaws gave _____ the right to determine how the _____ would be used. The _____ to _____ constitutes a significant portion of the _____ which were used for non-exempt purposes.

After the _____ of \$ _____ was made to _____, the _____ made _____ of \$ _____ to both _____, and _____ that _____ is a member; and to _____. The payments were not grants for a charitable purpose. The payments According to the _____, _____, statement, Check # _____ was a payment of \$ _____ to _____ for the _____ of _____ to the _____. According to the _____, _____, statement, Check # _____ was a payment to _____ for the _____ of _____ to the _____. It is the _____ position that _____ were a reimbursement for the cost of the _____. No contemporaneous documentation was provided from _____ of the intention of _____ to purchase _____ for the _____ and receive _____. The only documentation provided was created almost _____ later in _____ at the time the payments were made to _____ and to _____. In _____, the _____ filed Form _____ to report the _____ made to _____ with _____ funds as acts of _____. So, after the _____ reported acts of _____, engaged in _____ additional transactions with the _____, this shows that the _____ by IRC _____ are not an effective deterrent to stop _____ from engaging in financial transaction with _____.

Investments

During the fiscal year _____, _____, instead of _____, in "traditional or normal" _____ such as _____, _____, etc., the _____ invested \$ _____ a business "owned" by _____. By _____.

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

the end of the fiscal year , the entire was a loss and the had \$, less in funds that could have been used for exempt purposes. Thus, the served as a vehicle to

Noncash Assets

The other of the were previously by before he them to the . The other than the are located in the . The other of the include: - located ; settle-located in the ; - located ; and - located in a . The are located in

Essentially there has not been a change in ownership of these items. The did not change location once they were “ .” did not relinquish control of the was able to receive a charitable deduction and still retain control over the . The , , , and do not benefit the but are items that can be enjoyed in . These do nothing to advance an exempt purpose.

The assets are and from the . Access is limited to only or approval by the of the . There is no advertisement from the to inform the that these are

It is the position of the that having these items in is not a problem since was not in from , through . However, this also means that was also . This situation is similar to Rev. Rul. 74- . The placement of the in the of the results in inurement.

In summary, your organization is similar to Rev. Rul 67- where the has been used as a to engage in financial activities that were beneficial to had control over the , and ; made use of the funds for . The of the inured to the benefit of . These were donated in name only since still maintained control over them. used the of the to make and for the of . These noncharitable activities have destroyed the exemption of the . (Better Bus. Bureau v. United States, 326 U.S. 279 (1945)).

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 <i>(last 4 digits)</i>	Year/Period ended

CONCLUSION:

Though the _____ has _____ significance, the _____ is not owned by the _____ but is the _____ of _____. There were no significant activities to _____ or _____ I purposes either through _____ or through established programs. In fact, during this period the _____ has been during the _____ “_____”

The _____ of the _____ inure to the benefit of _____. The cash assets of the _____ were used as a ready source of funds for _____ previously in _____ used _____ to _____ in _____ of _____. During the _____, _____ used the _____ to make _____ to _____ and to _____ (_____) In the case of _____, the funds were used when _____ had _____; and for _____ the funds were used as an _____ of funds instead of waiting for _____ funds to be paid.

The highest fiduciary standards should be maintained by the _____, and this does not include intermingling of _____ with the _____; _____ in _____ owned by the _____; and _____ to the _____ and _____.

Accordingly, _____ status as an organization described under section 501(c)(3) should be revoked, effective _____, _____, because it was not operated for an exempt purpose and the assets were not used for exclusively charitable purposes.

The _____ becomes a taxable _____ and is required to file both Form 1120 U.S. Corporate Income Tax Return and Form 990-PF Return of _____. Contributions are no longer deductible by donors under section 170(c)(2).