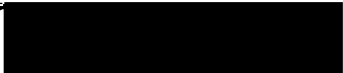


Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 2508, Cincinnati, OH 45201



Person to Contact:

Telephone Number:

Refer Reply to:

EP/EO

Date: FEB 1 1987

Dear Sir or Madam:

This is a final adverse determination. Your application for tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1954 is hereby denied. That statute provides for exemption from Federal income tax for corporations or any community chest fund or foundation that is organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Your organizational document provides for a call service for your membership and your organization's activities are primarily directed toward providing jobs for your membership. Therefore, your organization does not qualify for exemption under section 501(c)(3) of the Code because it is neither organized nor operated exclusively for 501(c)(3) purposes.

By our letter dated [redacted], we proposed to deny your application for tax exempt status under section 501(c)(3) of the Code.

You have agreed to this determination by signing Form 6018, Consent to Proposed Adverse Action. Accordingly, this letter becomes our final determination.

Since you are not exempt, you must file all Federal tax returns required of you by the Internal Revenue Code.

Contributions to you are not deductible by donors under section 170(c) of the Code.

A copy of this notification has been furnished to the appropriate state officials in accordance with section 6104(c) of the Internal Revenue Code.

This is a denial letter.

Sincerely yours,



Acting District Director

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
	EOIT	EP/EO	[redacted]	EP/EO	[redacted]		
Surname	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		
Date	10-16-86	10/17/86	10/24/86	1-30-87			

Internal Revenue Service

Department of the Treasury

District  
Director,

P.O. Box 2508  
Cincinnati, OH 45201

Person to Contact:

Telephone Number:

Refer Reply to:

EP/EO

Date:

AUG 13 1986

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code of 1954 and its applicable Income Tax Regulations. Based on the available information, we have determined that you do not qualify for the reasons set forth on Enclosure I.

Consideration was given to whether you qualify for exemption under other subsections of section 501(c) of the Code and we have concluded that you do not.

As your organization has not established exemption from Federal income tax, it will be necessary for you to file an annual income tax return on Form 1041 if you are a trust or Form 1120 if you are a corporation or an unincorporated association. Contributions to you are not deductible under section 170 of the Code.

If you are in agreement with our proposed denial, please sign and return one copy of the enclosed Form 6018, Consent to Proposed Adverse Action.

You have the right to protest this proposed determination if you believe that it is incorrect. To protest, you should submit a written appeal giving the facts, law and other information to support your position as explained in the enclosed Publication 892, "Exempt Organizations Appeal Procedures for Unagreed Issues". The appeal must be submitted within 30 days from the date of this letter and must be signed by one of your principal officers. You may request a hearing with a member of the office of the Regional Director of Appeals when you file your appeal. If a hearing is requested, you will be contacted to arrange a date for it. The hearing may be held at the Regional Office, or, if you request, at any mutually convenient District Office. If you are to be represented by someone who is not one of your principal officers, he or she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements as set forth in Section 601.502 of the Statement of Procedural Rules. See Treasury Department Circular No. 230.

EO:T

8/8/86

8-12-86

[REDACTED]

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that:

A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within the time specified, this will become our final determination. In that event, appropriate State officials will be notified of this action in accordance with the provisions of section 6104(c) of the Code.

Sincerely yours,

[REDACTED]  
[REDACTED]  
District Director

Enclosures (3)

## STATEMENT OF FACTS:

The information submitted shows that you were incorporated [REDACTED] under the laws of the State of [REDACTED] as [REDACTED]. The purposes for which you were formed are as follows: To provide and maintain a flexible program of health care referral service to meet the health needs of the community; such as but not limited to providing a call service for Registered and Licensed Practical Nurses. The organization is to be organized and operated exclusively for the purposes as described in section 501(c), (3) of the Internal Revenue Code.

According to your by-laws the objectives of the organization are:

1. To service the community as a center of nurse supply.
2. To insure the community a reliable health care service.
3. To provide a placement service for, but not limited to Registered and Practical Nurses.
4. To promote the professional development and economic welfare of nurses and other health care personnel.

According to information received with the application your activities consist of providing professional nursing services to clients in homes hospitals and nursing homes. These services are provided on an hourly basis; one or more eight hour shifts; or continuous 24 hour coverage with three shifts. Requests for your nurses can be made by hospitals, clients, families, physicians and home care co-ordinators.

Your current activities are being expanded to support community oriented services, care for the poor, care for the terminally ill using the concepts of hospice, availability of health care specialists in the home, furnishing nurses free for blood pressure clinics, and a resource for those seeking guidance, instruction and alternatives concerning health care.

Your sources of support are from membership dues and fees. According to your by-laws, these fees are (a) application fees, (b) placement fees and (c) membership fees.

The requirements for membership consist of payment of processing fee, a personal interview with the administrative Director, completion of an application which includes employment records, peer referrals and a record of continuing education. Applicants must also supply you with their current [REDACTED] license and/or certification where applicable, a pre-employment examination and TB test or chest X-Ray and their individual liability insurance. Members are then put on probation working in a part time status. You do not however guarantee placement.

## LAW AND CONCLUSION:

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of 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 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 any candidate for public office.

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

Section 1.501(c)(3)-1(b)(1)(i) of the Regulations states that an organization is organized exclusively for one or more exempt purposes only if its articles of organization:

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

Section 1.501(c)(3)-1(d)(1)(ii) of the Regulations states that an organization is not operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. It must not be operated for the benefit of designated individuals or the persons who created it.

In Revenue Ruling 55-656, 1955-2 C.B. 262, a community nursing bureau operated as a community project which maintained a nonprofit register of qualified nursing personnel, including graduate nurses, unregistered nursing school graduates, licensed attendants and practical nurses, for the benefit of hospitals, health agencies, doctors and individuals, which received its primary financial support from various community organizations and public contributions, qualified for exemption under section 501(c)(3). However in Revenue Ruling 61-170, 1961-2 C.B. 112, an association of professional private duty nurses and practical nurses which supported and operated a nurses registry primarily to afford greater employment opportunities for its members was not entitled to exemption from Federal income tax under section 501(c)(3) of the Code.

Your organizational document provides for a call services for your members. Your organization's operations are financed solely from membership dues and fees. There is no support from community organizations or public contributions. Your primary activity is the providing of jobs for your membership. Your operation is more like the operations in Revenue Ruling 61-170, instead of Revenue Ruling 55-656 since it is operating primarily for the placement service of its members. The organization therefore does not qualify for exemption under section 501(c)(3) of the Code as it is neither organized nor operated exclusively for 501(c)(3) purposes.