

Annual Certification of Racial Nondiscrimination for a Private School Exempt From Federal Income Tax

Department of the Treasury
Internal Revenue Service

(For use by organizations that do not file Form 990 or Form 990-EZ)

For IRS
use **ONLY** ▶

For the period beginning _____, 19____ and ending _____, 19____	
1a Name of organization that operates, supervises, and/or controls school(s). Address (number and street or P.O. box no., if mail is not delivered to street address) _____ Room/suite _____ City, town or post office, state, and ZIP + 4 _____	1b Employer identification number _____ _____
2a Name of central organization holding group exemption letter covering the school(s). (If same as 1a above, write "Same" and complete 2c.) If the organization in 1a above holds an individual exemption letter, write "Not Applicable." Address (number and street or P.O. box no., if mail is not delivered to street address) _____ Room/suite _____ City, town or post office, state, and ZIP + 4 _____	2b Employer identification number _____ _____ 2c Group exemption number (see instructions under Definitions) _____
3a Name of school. (If more than one school, write "See Attached," and attach list of the names, addresses, ZIP codes, and employer identification numbers of the schools.) If same as 1a above, write "Same." Address (number and street or P.O. box no., if mail is not delivered to street address) _____ Room/suite _____ City, town or post office, state, and ZIP + 4 _____	3b Employer identification number, if any _____ _____

Under penalties of perjury, I hereby certify that I am authorized to take official action on behalf of the above school(s) and that to the best of my knowledge and belief the school(s) has (have) satisfied the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, for the period covered by this certification.

.....
(Signature)

.....
(Type or print name and title.)

.....
(Date)

General Instructions

This form is open to public inspection.

Section references are to the Internal Revenue Code.

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

The organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of this form are covered in Code section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 4 hours and 44 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To File** below.

Purpose of Form

Form 5578 may be used by organizations that operate tax-exempt private schools to provide the Internal Revenue Service with the annual certification of racial nondiscrimination required by Rev. Proc. 75-50 (the relevant part of which is reproduced on page 2).

Who Must File

Every organization that claims exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code and that operates, supervises, or controls a private school or schools must file a certification of racial nondiscrimination. If an organization is required to file **Form 990**, Return of Organization Exempt From Income Tax, or **Form 990-EZ**, Short Form Return of Organization Exempt From Income Tax, either as a separate return or as part of a group return, the certification must be made on **Schedule A (Form 990)**, Organization Exempt Under Section 501(c)(3), rather than on this form.

An authorized official of a central organization may file one form to certify for the school activities of subordinate organizations that would otherwise be required to file on an individual basis, but only if the central organization has enough control over the schools listed on the form to ensure that the schools maintain a racially nondiscriminatory policy as to students.

Definitions

A racially nondiscriminatory policy as to students means that the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in the administration of its educational policies, admissions policies, scholarship and loan programs, and other school-administered programs.

The IRS considers discrimination on the basis of race to include discrimination on the basis of color or national or ethnic origin.

A **school** is an educational organization that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. The term includes primary, secondary, preparatory, or high schools and colleges and universities, whether operated as a separate legal entity or as an activity of a church or other organization described in Code section 501(c)(3). The term also includes preschools and any other organization that is a school as defined in Code section 170(b)(1)(A)(ii).

A **central organization** is an organization that has one or more subordinates under its general supervision or control. A subordinate is a chapter, local, post, or other unit of a central organization. A central organization may also be a subordinate, as in the case of a state organization that has subordinate units and is itself affiliated with a national organization.

The **group exemption number (GEN)** is a four-digit number issued to a central organization by the IRS. It identifies a central organization that has received a ruling from the IRS recognizing on a group basis the exemption from Federal income tax of the central organization and its covered subordinates.

When To File

Under Rev. Proc. 75-50, a certification of racial nondiscrimination must be filed annually by the 15th day of the 5th month following the end of the organization's calendar year or fiscal period.

Where To File

Mail Form 5578 to the Internal Revenue Service Center, Ogden, UT 84201-0027.

Certification Requirement

Section 4.06 of Rev. Proc. 75-50 requires an individual authorized to take official action on behalf of a school that claims to be racially nondiscriminatory as to students to certify annually, under penalties of perjury, that to the best of his or her knowledge and belief the school has satisfied the applicable requirements of sections 4.01 through 4.05 of the revenue procedure, reproduced below:

Rev. Proc. 75-50

4.01 Organizational Requirements. A school must include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students and therefore does not discriminate against applicants and students on the basis of race, color, and national or ethnic origin.

4.02 Statement of Policy. Every school must include a statement of its racially nondiscriminatory policy as to students in all its brochures and catalogues dealing with student admissions, programs, and scholarships. A statement substantially similar to the Notice described in paragraph (a) of subsection 1 of section 4.03, *infra*, will be acceptable for this purpose. Further, every school must include a reference to its racially nondiscriminatory policy in other written advertising that it uses as a means of informing prospective students of its programs. The following references will be acceptable:

The (name) school admits students of any race, color, and national or ethnic origin.

4.03 Publicity. The school must make its racially nondiscriminatory policy known to all segments of the general community served by the school.

1. The school must use one of the following two methods to satisfy this requirement:

(a) The school may publish a notice of its racially nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community. This publication must be repeated at least once annually during the period of the school's solicitation for students or, in the absence of a solicitation program, during the school's registration period. Where more than one community is served by a school, the school may publish its notice in those newspapers that are reasonably likely to be read by all racial segments of the communities that it serves. The notice must appear in a section of the newspaper likely to be read by prospective students and their families and it must occupy at least three column inches. It must be captioned in at least 12 point boldface type as a notice of nondiscriminatory policy as to students, and its text must be printed in at least 8 point type. The following notice will be acceptable:

Notice Of Nondiscriminatory Policy As To Students

The (name) school admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

(b) The school may use the broadcast media to publicize its racially nondiscriminatory policy if this use makes such nondiscriminatory policy known to all segments of the general community the school serves. If this method is chosen, the school must provide documentation that the means by which this policy was communicated to all segments of the general community was reasonably expected to be effective. In this case, appropriate documentation would include copies of the tapes or script used and records showing that there was an adequate number of announcements, that they were made during hours when the announcements were likely to be communicated to all segments of the general community, that they were of sufficient duration to convey the message clearly, and that they were broadcast on radio or television stations likely to be listened to by substantial numbers of members of all racial segments of the general community. Announcements must be made during the period of the school's solicitation for students or, in the absence of a solicitation program, during the school's registration period.

Communication of a racially nondiscriminatory policy as to students by a school to leaders of racial groups as the sole means of publicity generally will not be considered effective to make the policy known to all segments of the community.

2. The requirements of subsection 1 of this section will not apply when one of the following paragraphs applies:

(a) If for the preceding 3 years the enrollment of a parochial or other church-related school consists of students at least 75% of whom are members of the sponsoring religious denomination or unit, the school may make known its racially nondiscriminatory policy in whatever newspapers or circulars the religious denomination or unit utilizes in the communities from which the students are drawn. These newspapers and circulars may be those distributed by a particular religious denomination or unit or by an association that represents a number of religious organizations of the same denomination. If, however, the school advertises in newspapers of general circulation in the community or communities from which its students are drawn and paragraphs (b) and (c) of this subsection are not applicable to it, then it must comply with paragraph (a) of subsection 1 of this section.

(b) If a school customarily draws a substantial percentage of its students nationwide or world-wide or from a large geographic section or sections of the United States and follows a racially nondiscriminatory policy as to students, the publicity requirement may be satisfied by complying with section 4.02, *supra*. Such a school may demonstrate that it follows a racially nondiscriminatory policy within the meaning of the preceding sentence either by showing that it currently enrolls students of racial minority groups in meaningful numbers or, when minority students are not enrolled in meaningful numbers, that its promotional activities and recruiting efforts in each geographic area were reasonably designed to inform students of all racial segments in the general communities within the area of the availability of the school. The question whether a school satisfies the preceding sentence will be determined on the basis of the facts and circumstances of each case.

(c) If a school customarily draws its students from local communities and follows a racially nondiscriminatory policy as to students, the publicity requirement may be satisfied by complying with section 4.02, *supra*. Such a

school may demonstrate that it follows a racially nondiscriminatory policy within the meaning of the preceding sentence by showing that it currently enrolls students of racial minority groups in meaningful numbers. The question whether a school satisfies the preceding sentence will be determined on the basis of the facts and circumstances of each case. One of the facts and circumstances that the Service will consider is whether the school's promotional activities and recruiting efforts in each area were reasonably designed to inform students of all racial segments in the general communities within the area of the availability of the school. The Service recognizes that the failure by a school drawing its students from local communities to enroll racial minority group students may not necessarily indicate the absence of a racially nondiscriminatory policy as to students when there are relatively few or no such students in these communities. Actual enrollment is, however, a meaningful indication of a racially nondiscriminatory policy in a community in which a public school or schools became subject to a desegregation order of a federal court or otherwise expressly became obligated to implement a desegregation plan under the terms of any written contract or other commitment to which any Federal agency was a party.

The Service encourages schools to satisfy the publicity requirement by the methods described in subsection 1 of this section, regardless of whether a school considers itself within subsection 2, because it believes these methods to be the most effective to make known a school's racially nondiscriminatory policy. In this regard it is each school's responsibility to determine whether paragraph (a), (b), or (c) of subsection 2 applies to it. On audit, a school must be prepared to demonstrate that the failure to publish its racially nondiscriminatory policy in accordance with subsection 1 of this section was justified by the application to it of paragraph (a), (b), or (c) of subsection 2. Further, a school must be prepared to demonstrate that it has publicly disavowed or repudiated any statements purported to have been made on its behalf (after November 6, 1975) that are contrary to its publicity of a racially nondiscriminatory policy as to students, to the extent that the school or its principal official were aware of such statements.

4.04 Facilities and Programs. A school must be able to show that all of its programs and facilities are operated in a racially nondiscriminatory manner.

4.05 Scholarship and Loan Programs. As a general rule, all scholarship or other comparable benefits procurable for use at any given school must be offered on a racially nondiscriminatory basis. Their availability on this basis must be known throughout the general community being served by the school and should be referred to in the publicity required by this section in order for that school to be considered racially nondiscriminatory as to students. . . . [S]cholarships and loans that are made pursuant to financial assistance programs favoring members of one or more racial minority groups that are designed to promote a school's racially nondiscriminatory policy will not adversely affect the school's exempt status. Financial assistance programs favoring members of one or more racial groups that do not significantly derogate from the school's racially nondiscriminatory policy similarly will not adversely affect the school's exempt status.

