

Missionary housing. An organization established to provide temporary low-cost housing and related services for missionary families on furlough for recuperation or training in the U.S. from their assignments abroad is operated exclusively for charitable purposes and qualifies for exemption under section 501(c)(3) of the Code.

Advice has been requested whether an organization that otherwise qualifies for exemption from Federal income tax as a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1954 is operated exclusively for charitable purposes where its only activities are those described below.

The organization was established for the purpose of furthering and assisting the foreign missionary work of denominational as well as nondenominational missions by assisting in providing temporary housing and related services for missionary families while on furlough in the United States from their assignments abroad for recuperation or training.

The board of trustees of the organization is comprised of members of various evangelical churches. The organization, however, is not under the control of nor does it exist to serve the program of any particular mission. In carrying out its objective, the organization has undertaken a program of acquiring and maintaining residential housing units, usually multiple-unit dwellings, for use by furloughed missionaries and their families at minimum cost. Charges for occupancy are coordinated with the housing allowances provided the missionaries by their respective missions which allowances customarily fall substantially below the going commercial rates for comparable facilities. There is no requirement, however, that the missionaries be in actual financial need. Any operating deficit is made up from contributions and grants from individuals and institutions interested in the program. Candidates for the housing are, as a general practice, selected on the basis of requests for housing assistance submitted by the various mission boards. Only those individuals who are committed to a foreign missionary assignment are eligible for the housing. An important objective of the program is to provide housing near centers of training and in locations that will facilitate the performance of various duties assigned the missionaries while on furlough.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations provides that the term 'charitable' as used in section 501(c)(3) includes the advancement of religion.

It has long been a recognized principle in the field of

religious charities that assistance of the religious work of missions abroad is a charitable object, whether undertaken by general assistance for such purposes, or by support of particular aspects of the programs of such missions. Thus, trusts providing for the payment of compensation of missionaries of a particular mission, or for the support of some specific aspects of the religious work of a religious body, are commonly recognized as charitable. Zollman, *American Law of Charities*, sections 243, 248 (1924); Bogert, *Trusts and Trustees*, section 376 (2d ed. 1964); Restatement (Second) of Trusts, section 371, comment a. (1959).

Where gifts or other uses of resources are for particular aspects of such programs they are usually related to or in the context of the religious program of some identified body such as a church, order, congregation, or mission. The charitable religious purpose of the gift or other assistance is thus validated by the assurance of its use in an organized program of recognized religious endeavor.

Where the assistance is not directly related to some specific religious body or missionary program, however, a question necessarily arises whether the assistance is provided to an individual missionary in his personal capacity or whether it is provided to him in his official capacity for use in furtherance of and as a part of the program of religious endeavor with which he is associated. Tyssen, *The Law of Charitable Bequests*, ch. VIII, at 69 et seq. (2d ed. 1921). If given in the latter capacity, the assistance is, in effect, in support of the mission or other religious body involved and is generally so recognized for purposes of determining the charitable character of the use.

On the other hand, the providing of assistance to individuals in their individual capacities solely by reason of their identification with some form of recognized religious endeavor, such as missionary work, is not a charitable use.

The facts in this case support a conclusion that the assistance provided the missionaries is provided them in their official capacities for use in furtherance of and as part of the organized religious program with which they are associated. This is borne out not only by the character of the assistance but also by the manner in which the recipients are selected and the conditions imposed upon their eligibility for such assistance.

In providing the housing assistance for the purposes and in the manner described, the organization is directly assisting in the accomplishment of the religious work of the missions involved. The periodic furloughing of missionaries engaged in foreign missionary work as a means of providing them a period of rest and recuperation, as well as opportunity for training, is not only a common practice but a recognized necessity in many types of foreign missionary programs. By providing the housing in question, the organization is assisting directly in carrying out this phase of the missionary programs of the various missions and

relieving them, in part at least, of financial and other burdens normally associated with the conduct of such programs.

Accordingly, the organization is operated exclusively for charitable purposes and, since it otherwise qualifies for exemption as a charitable organization, the organization is exempt from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See sections 1.508-1(a) and 1.501(a)-1 of the regulations.