



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street, MC 4920 DAL
Dallas, TX 75242

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

501.03-00

Date: February 11, 2011

ORG

ORG = Organization name XX = Date Address = address

Number: 201118022

Release Date: 5/6/2011

Person to Contact:

Identification Number:

Contact Telephone Number:

In Reply Refer to: TE/GE Review Staff

EIN:

CERTIFIED MAIL – Return Receipt Requested

Dear :

This is a final adverse determination letter as to your exempt status under section 501(a) of the Internal Revenue Code (IRC). It is determined that you do not qualify as an organization described in IRC section 501(c)(3) effective January 1, 20XX. Our adverse determination is made for the following reasons.

You have failed to produce documents to establish that you are organized and operated exclusively for exempt purposes within the meaning of IRC section 501(c)(3) and that no part of your net earnings inures to the benefit of private shareholders or individuals. Also, you have failed to keep adequate books and records as required by IRC Sections 6001 and 6033, and the regulations thereunder.

In our letters dated April 1, 20XX, June 1, 20XX, and September 29, 20XX, respectively, we requested information necessary to conduct an examination of your Form 990 for the year ended December 31, 20XX. We have not received the requested information.

Section 1.6033-2(h)(2) of the Income Tax Regulations provides, in part, that every organization that is exempt from tax shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status.

Since you have not provided the requested information, we hereby revoke your organization's exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code, effective January 1, 20XX.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

Since your exempt status has been revoked, you are required to file a Form 1120, U.S. Corporation Income Tax Return, for all years beginning on or after January 1, 20XX.

It is further determined that your failure to file a written appeal may constitute a failure to exhaust your administrative remedies. If you decide to contest this determination under the declaratory judgment provisions of IRC section 7428, however, an appropriate petition to the United States Tax Court, the United States Court of Claims, or the district court of the United States for the District of Columbia must be filed within 90 days from the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. To secure a petition from the United States Tax Court, write to the United States Tax Court at 400 Second Street, N.W., Washington, D.C. 20217.

Please understand that filing a petition for a declaratory judgment under IRC section 7428 will not delay the processing of subsequent income tax returns and assessment of any taxes due.

You also have the right to contact the Office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures such as the formal appeals process. The Taxpayer Advocate is not able to reverse legally correct tax determinations, nor extend the time fixed by law that you have to file a petition in Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. If you want Taxpayer Advocate assistance, please contact the Taxpayer Advocate by calling 1-877-777-4778 or contact the Taxpayer Advocate for the IRS office that issued this adverse determination at

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Nanette M. Downing
Director, EO Examinations



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE

Mail Stop 1112
PO Box 12307
Ogden, UT 84412

November 10, 2009

ORG
ADDRESS

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Certified Mail – Return Receipt Requested

Dear _____ :

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "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 its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Taxpayer Advocate

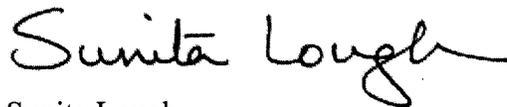
Phone: ()

Fax: ()

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,



Sunita Lough
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

Form 886-A (Rev. January 1994)	Explanation of Items	Schedule number or exhibit 0001
Name of taxpayer ORG	Tax Identification Number EIN	Year/Period ended December 31, 20XX

LEGEND

ORG = Organization name XX = Date State = state Director = director
Agent = agent President = president

Issue:

Whether ORG (Organization) continues to qualify for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Facts:

September 24, 20XX – The ORG incorporated as a non-profit corporation under Chapter 82 of the State Revised Statutes.

January 6, 20XX – The Organization filed Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*.

August 17, 20XX – The Organization received a determination letter from Director, Director Exempt Organizations Rulings and Agreements, indicating that the Organization is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

April 1, 20XX – The Organization received a letter from Agent of the Internal Revenue Service (Service) informing the Organization that the Service is conducting a compliance check. The Organization was issued Form 13837, *Compliance Check Information Request*, that asked, among other items, that the Organization explain why it has not filed Form 990, *Return of Organization Exempt From Income Tax*.

April 6, 20XX – No response to the compliance check request for information. Agent issued a letter to the Organization informing the Organization that the Service has commenced an examination of the tax period ending December 31, 20XX. The Organization was issued Form 4564, *Information Document Request*, that requested a signed Form 990 for the tax period ending December 31, 20XX or a statement indicating why the Organization was exempt from the filing requirement of section 6033(a) of the Code.

June 1, 20XX – No response to the letter dated April 6, 20XX. The Organization was issued a follow up letter to the initial examination notification. The organization was notified that failure to comply with the Service's request for information could result in the loss of tax-exempt status.

June 6, 20XX – Agent spoke with President. President indicated that he will work with the Organization in Country to get the requested information. The Organization was allowed seven weeks to comply.

August 4, 20XX – No response to previous communications. Agent called President's office at PHONE and left a message for President to call.

Form 886-A (Rev. January 1994)	Explanation of Items	Schedule number or exhibit 0001
Name of taxpayer ORG	Tax Identification Number EIN	Year/Period ended December 31, 20XX

August 31, 20XX – No response to previous communications. Agent called President's office and left a message to return the call.

September 22, 20XX – No response to previous communications. Agent called President's office and left a message to return the call.

September 29, 20XX – No response to previous communications. Agent prepared a draft version of this report and sent it certified mail. The mail receipt was signed and returns. However, the signature is not legible and the receiving party did not print his/her name as instructed.

October 22, 20XX – No response to previous communications. Agent called President's office and spoke with a receptionist. The receptionist indicated that President was in the office but on the phone. Agent requested that President return his call and emphasized that he had failed to return previous calls.

No response has been received as of the date of this report.

Law:

Section 6033(a)(1) of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax 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 purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and 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.

Section 1.6033-1(h)(2) of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

Section 1.501(c)(3)-1(a)(1) of the regulations states that 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.

Rev. Rul. 59-95, 1959-1 C.B. 627, concerns an exempt organization that 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

Form 886-A (Rev. January 1994)	Explanation of Items	Schedule number or exhibit 0001
Name of taxpayer ORG	Tax Identification Number EIN	Year/Period ended December 31, 20XX

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.

Taxpayer's position:

The Organization failed to respond and provide a position.

Government's position:

The Organization has failed to comply with several repeated requests for the filing of Form 990 for the tax period ending December 31, 20XX. The Organization is not in compliance with the reporting requirements of section 6033(a)(1) of the Code and is not operating in accordance with tax-exempt status per section 501(c)(3) of the Code.

Conclusion:

It is the IRS's position that the ORG no longer meets the requirements to be exempt from federal income tax under 501(c)(3) of the Internal Revenue Code. Accordingly, the organization's exempt status is revoked effective January 1, 20XX.

Form 1120 returns should be filed for the tax periods after January 1, 20XX.