

Internal Revenue Service  
P. O. Box 2508  
Cincinnati, OH 45201

Department of the Treasury

Release Number: 201137012  
Release Date: 9/16/11  
Date: June 21, 2011

Person to Contact - ID#:

Contact Telephone Numbers:

Employer Identification Number:

Legend:

B = Field Manual

C = Agreement

D = Quality Control Manual

UIL: 4945.04-03

Dear :

This letter is in response to your request under section 4945(f) of the Internal Revenue Code. You have been recognized by the Internal Revenue Service as exempt from federal income tax under section 501(a) of the Code by reason of being described in section 501(c)(3). In addition, you are not a private foundation by reason of being described in sections 509(a)(1) and 170(b)(1)(A)(vi).

You will conduct non-partisan voter registration activities carried out in multiple jurisdictions based on the demographic concentration of individuals who have historically shown low voter response. Trained staff and volunteers will set out in these areas to register voters with a focus not on candidates or parties but on civic participation and involvement.

Registration drives will be non partisan in manner, not confined within one specific election period, and carried out in more than five states.

It is expected that you will enter into agreements with local organizations to carry out voter registration activities. These organizations will agree to and be subject to your (C) which spells out goals, committed resources, compliance requirements, training and supervision, quality control measures, performance standards and general contractual obligations.

Organizations operating under the (C) will be funded and trained to carry out registration activities. They will also be provided with a copy of your (B), a comprehensive with detailed

procedural guidance for opening an office, operating that office, managing staff, ensuring quality results, measuring and accounting for those results and overall compliant processes as a representative of your organization.

Local organizations will also be encouraged to operate which allow for follow up on individuals that have been registered in the event further information is required to complete their form or if they express interest and/or for recruitment of that individual for work at a local office. You issue a (D) for them to follow regarding staff and shifts, reporting, and the components behind successful office operation.

Those conducting voter registration activities will have been told and will have agreed to impartial conduct without favorability to any party or candidate. The (C) prohibits this activity and you will be actively involved in oversight of these efforts. In discovering any adverse behavior you will withhold funds designated to compensate any canvasser or local office. However, you expect most payments to occur after services have taken place thereby discouraging any prohibited practices.

In the event you discover canvassers conducting activities favoring the registration of one party line or candidate an investigation would take place. If actions were limited to one individual the local office would likely be responsible for disciplinary actions; if the local office was found to lack compliance funds would be withheld or recaptured through provisions agreed upon through the (C). Actions of this nature would also lead to immediate termination of any contracts in place.

You expect to receive more than a substantial amount of income from public and private sources as well as fundraising efforts thereby meeting adequate public support levels. You do not project any investment income. You will not accept any contributions conditioned for designated use in specified locations or election periods.

Your expenses will consist of direct program expenditures as well as funding provided to community organizations actively conducting voter registration drives through local offices. In making these distributions for operations you expect to maintain close contact and control so as to establish an agent relationship with said funded entity governed by the aforementioned (C).

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(2) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive, unless such grant satisfies the requirements of subsection (f).

Section 4945(f) of the Code provides that section 4945(d)(2) shall not apply to any amount paid or incurred by any organization so long as:

- (i) The organization is described in section 501(c)(3) as exempt from taxation under section 501(a);
- (ii) The activities of the organization are nonpartisan, are not confined to one specific election period, and are carried on in five or more States;
- (iii) Substantially all of the income is expended directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated;
- (iv) Substantially all of the support (other than gross investment income as defined in section 509(e)) of which is from exempt organizations, the general public, governmental units described in section 170(c)(1), or any combination of the foregoing; not more than 25 percent of such support is received from any one exempt organization (for this purpose treating private foundations which are described in section 4946(a)(1)(H) with respect to each other as one exempt organization); and not more than half of the support is received from gross investment income; and
- (v) Contributions for voter registration drives are not subject to conditions that they may be used only in specified States, possessions of the United States, or political subdivisions or other areas of any of the foregoing, or the District of Columbia, or that they may be used in only one specific election period.

Section 53.4945-3(b)(4) of the Regulations states that an organization will be given an advance ruling that it is an organization described in section 4945(f) if it submits evidence establishing that it can reasonably be expected to meet the tests under section 4945(f) for such taxable year.

Based upon the representations submitted you will be treated as an organization described in section 4945(f) of the Internal Revenue Code. You will be an organization described in section 4945(f) for subsequent tax years if you continue to meet the requirements of the section for those years.

For tax years for which are an organization described in section 4945(f), grants made to you by private foundations will not be taxable expenditures under section 4945(d)(2) for such private foundations, provided that their grants are consistent with the requirements of section 4945(f).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based.

The approval of your program procedures herein constitutes a one-time approval of your system standards and procedures. This determination only covers the programs described above. Thus, approval shall apply to subsequent programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Please keep a copy of this letter in your permanent records. If you have any questions regarding this matter, please contact the person whose name and telephone number appear in the heading of this letter.

Sincerely,

Lois G. Lerner  
Director, Exempt Organizations