



**DEPARTMENT OF THE TREASURY**  
**INTERNAL REVENUE SERVICE**  
TEGE:EO Examinations  
1100 Commerce Street, MC 4920 DAL  
Dallas, TX 75242

**TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION**

Date: May 29, 2015

Number: **201534015**  
Release Date: 8/21/2015

Person to Contact:

Identification Number:

501.03-00

Contact Telephone Number

Telephone:

Fax:

EIN:

**CERTIFIED MAIL – Return Receipt Requested**

Dear \_\_\_\_\_ :

This is a final revocation letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Our favorable determination letter to you dated February 12, 20XX recognizing you as an organization described in section 501(c)(3), is hereby revoked effective January 1, 20XX.

The revocation of your exempt status was made for the following reasons:

Treas. Reg. section 1.501(c)(3)-1(a)(1) provides that in order to be exempt as an organization described in IRC section 501(c)(3), an organization must be both organized and operated exclusively for one or more exempt purposes. Your organization no longer conducts any activities, and has provided no indication of plans to resume operations at any time in the future. Therefore, you have failed to establish that you are operated exclusively for exempt purposes.

As such, you failed to meet the requirements of I.R.C. Section 501(c)(3) and Treasury Regulation Section 1.501(c)(3)-1(a)(1) in that you failed to establish that you are operated exclusively for exempt purposes within the meaning of Internal Revenue Code section 501(c)(3).

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code, effective January 1, 20XX.

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for the year ending December 31, 20XX, and for all subsequent years.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claim Court or the District Court of the United States for the District of Columbia before the 91<sup>st</sup> day after the date this determination was mailed to you. Contact the clerk of the appropriate court for the rules for initiating suits for declaratory judgment. Please contact the clerk of the respective court for rules and the appropriate forms regarding filing petitions for declaratory judgment by referring to the enclosed Publication 892. Please note that the United States Tax Court is the only one of these courts where a declaratory judgment action can be pursued without the services of a lawyer. You may write to the courts at the following addresses:

United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

US Court of Federal Claims  
717 Madison Place, NW  
Washington, DC 20005

U. S. District Court for the District of Columbia  
333 Constitution Ave., N.W.  
Washington, DC 20001

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above, since this person can access your tax information and can help you get answers. Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax 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 1-877-777-4778 and ask for Taxpayer Advocate assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Internal Revenue Service  
Office of the Taxpayer Advocate

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

Sincerely yours,

Enclosures:  
Publication 892  
Envelope

Margaret Von Lienen  
Director, EO Examinations

**Internal Revenue Service**  
**Tax Exempt and Government Entities Division**  
Exempt Organizations: Examinations  
400 N. 8<sup>th</sup> Street, Room 480, Box 74  
Richmond, VA 23219

**Department of the Treasury**

**Date:**  
April 2, 2014  
**Taxpayer Identification Number:**

**Form:**

**Tax Year(s) Ended:**

**Person to Contact/ID Number:**

**Contact Numbers:**

Telephone:

Fax:

**Manager's name/ID number:**

**Manager's contact number:**

**Response due date:**

**Certified Mail – Return Receipt Requested**

Dear :

**Why you are receiving this letter**

We propose to revoke your status as an organization described in section 501(c)(3) of the Internal Revenue Code (Code). Enclosed is our report of examination explaining the proposed action.

**What you need to do if you agree**

If you agree with our proposal, please sign the enclosed Form 6018, *Consent to Proposed Action – Section 7428*, and return it to the contact person at the address listed above (unless you have already provided us a signed Form 6018). We'll issue a final revocation letter determining that you aren't an organization described in section 501(c)(3).

After we issue the final revocation letter, we'll announce that your organization is no longer eligible for contributions deductible under section 170 of the Code.

**If we don't hear from you**

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final revocation letter. Failing to respond to this proposal will adversely impact your legal

standing to seek a declaratory judgment because you failed to exhaust your administrative remedies.

**Effect of revocation status**

If you receive a final revocation letter, you'll be required to file federal income tax returns for the tax year(s) shown above as well as for subsequent tax years.

**What you need to do if you disagree with the proposed revocation**

If you disagree with our proposed revocation, you may request a meeting or telephone conference with the supervisor of the IRS contact identified in the heading of this letter. You also may file a protest with the IRS Appeals office by submitting a written request to the contact person at the address listed above within 30 calendar days from the date of this letter. The Appeals office is independent of the Exempt Organizations division and resolves most disputes informally.

For your protest to be valid, it must contain certain specific information including a statement of the facts, the applicable law, and arguments in support of your position. For specific information needed for a valid protest, please refer to page one of the enclosed Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*, and page six of the enclosed Publication 3498, *The Examination Process*. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process. Please note that Fast Track Mediation referred to in Publication 3498 generally doesn't apply after we issue this letter.

You also may request that we refer this matter for technical advice as explained in Publication 892. Please contact the individual identified on the first page of this letter if you are considering requesting technical advice. If we issue a determination letter to you based on a technical advice memorandum issued by the Exempt Organizations Rulings and Agreements office, no further IRS administrative appeal will be available to you.

**Contacting the Taxpayer Advocate Office is a taxpayer right**

You have the right to contact the office of the Taxpayer Advocate. Their assistance isn't a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate can't reverse a legally correct tax determination or extend the time you have (fixed by law) to file a petition in a United States court. They can, however, see that a tax matter that hasn't 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:

Internal Revenue Service  
Office of the Taxpayer Advocate

**For additional information**

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,

Mary A Epps  
Acting Director, EO Examinations

Enclosures:  
Report of Examination  
Form 6018  
Publication 892  
Publication 3498

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service	Schedule No. or Exhibit
<b>Explanation of Items</b>		
Name of Taxpayer		Year/Period Ended 12/31/20XX 12/31/20XX

**ISSUE:**

- Should the tax exempt status of \_\_\_\_\_, herein referred to as \_\_\_\_\_, be revoked as of January 1, 20XX for failing to provide requested information to the Internal Revenue Service?

**FACTS:**

**State Incorporation:**

The \_\_\_\_\_ Secretary of the State provides that \_\_\_\_\_ is currently active. The last report filed with the State of \_\_\_\_\_ was in 20XX. \_\_\_\_\_ is listed as President and the business address listed \_\_\_\_\_ (Exhibit 1)

The \_\_\_\_\_ Department of the Secretary of State lists \_\_\_\_\_ status as current-active. The registered agent listed is \_\_\_\_\_ and the office address is \_\_\_\_\_ (Exhibit 2)

**Determination Administrative Record (Exhibit 3):**

Information describing the activities of the organization was acquired through the IRS determination administrative record as follows:

Articles of Incorporation:

The Articles of Incorporation provide that that the organization is "organized exclusively for one or more of the purposes as specified in IRC 501(c)(3), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code. The specific purposes for which this corporation is organized are: fund raising for children's needs."

Bylaws:

bylaws provide the following:

*It is organized to engage in various benevolent, charitable, and fundraising activities within the meaning of IRC 501(c)(3) described in section 509(a)(1) and 170(b)(1)(A)(vi) intended to support the well-being of children and their families presently and for the future. Doing all and everything necessary, suitable and proper for the furtherance of such purpose.*

*The business of this organizations day-to-day business activities shall be managed by the Officers of the organization who shall oversee the planning of the long and short term goals of the organization.*

Officers of the organization shall be as follows: President ( \_\_\_\_\_ ), Vice-President ( \_\_\_\_\_ ), Secretary ( \_\_\_\_\_ ), Treasurer ( \_\_\_\_\_ )

The term of the officers is the lifetime of the corporation and cannot be removed by the board of directors

Form 1023:

501(c)(3): \_\_\_\_\_ provides the following information on Form 1023, Application for Exemption Under IRC

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
<b>Name of Taxpayer</b>		<b>Year/Period Ended</b> 12/31/20XX 12/31/20XX

Contact Information:

Organization Name:

EIN:

Address:

Primary Contact:

Phone Number:

Website: www. .org

Date of Incorporation: March 20, 20XX

Description of Activities:

*supports the well-being of children and their families presently and for the future and to provide many levels of support including: financial, medical and educational. The mission is to enhance the lives of children and their families who have had misfortune or are less fortunate. endeavors to help those in need by assisting in-kind and financially through many information networks. In addition, supports and aids facilities that help less fortunate children weather due to fire, disaster, displacement or physiological. The bottom line of is where there is a child in need or afflicted we are there in any way possible to support this child. We have documented in our contribution list and have supported many charities that have helped children directly. This list will certainly be expanded with additional monies being contributed on a more regular basis.*

Compensation of Officers, Directors, Etc.:

, President - \$

, Vice-President -\$

, Director

, Director

IRS Determination Letter:

On February 12, 20XX, the IRS issued a determination letter to (at ) granting exemption under IRC 501(c)(3) as a public charity described under 509(a)(1) and 170(b)(1)(A)(vi) effective March 20, 20XX. (Exhibit 4).

**Form 990:**

The following information was reported on the 20XX Form 990 (Exhibit 5):

<b>REVENUES &amp; EXPENSES</b>		<b>BALANCE SHEET</b>	
<b>Revenues:</b>		<b>Assets:</b>	
All other contributions, gifts, grants and similar amounts not included above		Cash	

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service	Schedule No. or Exhibit
<b>Explanation of Items</b>		
Name of Taxpayer		Year/Period Ended 12/31/20XX 12/31/20XX

Non-cash contributions (include in lines 1a-f) \$		Savings and temp cash investments	
<b>TOTAL REVENUES</b>		Land, building, equipment	
		Less: Accumulated depreciation	
<b>Expenses:</b>		<b>TOTAL ASSETS</b>	
Grants and other assistance to govts and orgs in the U.S.			
Grants and other assistance to individuals		<b>Liabilities:</b>	
Grants and other assistance to govts, orgs & individuals outside of the U.S.		Accounts payable	
Compensation to current officers, directors, etc.		Payables to current & former officers, directors, etc.	
Other salaries and wages		Other liabilities	
Other employee benefits		<b>TOTAL LIABILITIES</b>	
Payroll taxes			
Legal		<b>Unrestricted Net Assets</b>	
Advertising & promotion			
Office expenses			
Occupancy			
Travel			
Interest			
Depreciation			
Insurance			
Other Expenses			
<b>TOTAL EXPENSES</b>			

There was no record of Form 990 or 990-N filed for tax period ending December 31, 20XX.

**Information Requested by the IRS:**

The information listed below was requested to determine whether :

- Continues to meet the organizational and operational requirements of IRC 501(c)(3)
- Properly filed all employment tax and information returns
- Obtained unrelated business income subject to tax under IRC 511
- Participated or intervened in any substantial legislative or political activities
- Conducted any excess benefit transactions subject to tax under IRC 4958

IDR 1 was issued to secure information pertaining to the dissolution of the organization.

IDR 2 was issued to secure organizing, operational and financial records.

IDR 3 was issued to verify filing of the 20XX Form 990.

IDR 4 was issued to secure payroll, employment tax and information return records.

IDR 5 was issued to secure information pertaining to payables to officers reported on the 20XX Form 990.

IDR 6 was issued to determine the proper foundation classification status.

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
<b>Name of Taxpayer</b>		<b>Year/Period Ended</b> 12/31/20XX 12/31/20XX

**Taxpayer Contact:**

The following contacts were made between the Service and the organization:

April 24, 20XX

Letter 3606 and Form 4564, Information Document Request (IDR), were mailed to the organization (in c/o ) at

September 25, 20XX

Form 872, Consent to Extend the Time to Assess Tax, Publication 1035 and Letter 3600 were mailed to the organization (in c/o ) at via certified mail.

October 17, 20XX

A signed PS Form 3811, Domestic Return Receipt, addressed to the organization at was signed and returned to the IRS in receipt of correspondence mailed September 25, 20XX.

October 28, 20XX

The IRS received a signed copy of Form 872 from the organization.

December 17, 20XX

Contact was made with via telephone (time unknown), in which confirmed that he was President of and that was the correct mailing address of the organization.

December 19, 20XX

An attempt to call was made (time unknown). A telephone message was left with providing that the initial appointment letter was being mailed and contact needed to be made to schedule an initial telephone interview.

Mailed Letter 3606, IDR's 1-6 and Publication 1 via certified mail to the organization at with a response due date of January 20, 20XX.

Mailed Letter 929 (dated December 13, 20XX) and signed Form 872 to the organization via certified mail to

January 2, 20XX

A signed PS Form 3811, Domestic Return Receipt, addressed to the organization at was signed and returned to the IRS in receipt of Letter 929 and Form 872 mailed to the organization on December 19, 20XX.

January 20, 20XX

The organization did not respond to our first request by January 20, 20XX.

January 21, 20XX

An attempt to contact by phone (time unknown) went unanswered and voicemail was not available.

January 22, 20XX

An attempt to contact by phone (time unknown) went unanswered and voicemail was not available.

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
<b>Name of Taxpayer</b>		<b>Year/Period Ended</b> 12/31/20XX 12/31/20XX

January 23, 20XX

Letter 1477, Letter 3606, IDR's 1-6, and Publication 1 were mailed via UPS to the organization at with a response due date of February 7, 20XX. UPS delivery confirmation notice indicate that the package was delivered on January 30, 20XX.

January 27, 20XX

An attempt to contact by phone (time unknown) went unanswered.

January 31, 20XX

An attempt to contact by phone (time unknown) went unanswered.

February 7, 20XX

The organization did not respond to our follow-up request by February 7, 20XX.

February 10, 20XX

The IRS received unclaimed and unopened IRS correspondence to include: Letter 3606, IDR's 1-6 and Publication 1 dated December 10, 20XX.

**LAW:**

IRC §501(a) provides, in part, that an organization described in subsection (c) shall be exempt from taxation under this subtitle.

IRC §501(c)(3) exempts from federal income tax organizations which are organized and operated exclusively for charitable, educational, and other exempt purposes, provided that no part of the organization's net earnings inures to the benefit of any private shareholder or individual.

Tax Reg. §1.501(c)(3)-1(a)(1) states that in order to be an exempt 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.

Tax Reg. §1.501(c)(3)-1(d)(i) states that an organization may be exempt as an organization described in section 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, educational, or prevention of cruelty to children or animals.

Tax Reg. §1.501(c)(3)-1(d)(1)(ii) provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Tax Reg. §1.501(c)(3)-1(c)(2) states that an organization is not exclusively operated for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Tax Reg. §1.501(a)-1(c) defines "private shareholder or individual" as referring to persons having a personal and private interest in the activities of the organization.

IRC §6001 provides, in part, that every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
<b>Name of Taxpayer</b>		<b>Year/Period Ended</b> 12/31/20XX 12/31/20XX

and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

Tax Reg. §1.6001-1(a) provides, in part, that in general, any person subject to tax under subtitle A of the Code, or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax or information.

Tax Reg. §1.6001-1(c) provides that in addition to such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep permanent records, including inventories, as are sufficient to show specifically the items of gross income, receipts and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by section 6033.

Tax Reg. §1.6001-1(d) provides, in part, that the district director may require any person, by notice served upon him, to make such returns, render such statements, or keep such specific records as will enable the district director to determine whether or not such person is liable for tax under subtitle A of the Code.

Tax Reg. §1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

IRC §6033(a)(1) provides, except as provided in IRC 6033(a)(2), every organization exempt from tax under 509(a)(1) 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.

Tax Reg. §1.6033-2(i)(1) provides that an organization that is exempt from taxation under section 501(a) and is not required to file annually an information return required by this section shall immediately notify in writing Exempt Organizations Determinations, at an address prescribed by publication (including publication on the Internal Revenue Service website), of any changes in its character, operations, or purpose for which it was originally created.

Tax Reg. §1.6033-2(i)(2) 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 following), chapter 1 of the Code and IRC 6033.

Tax Reg. §1.6033-2(i)(3) provides, in part, that an organization which has established its exemption from taxation under section 501(a), including an organization which is relieved under section 6033 and this section from filing annual returns of information, is not relieved of the duty of filing other returns of information.

Revenue Ruling 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

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
<b>Name of Taxpayer</b>		<b>Year/Period Ended</b> 12/31/20XX 12/31/20XX

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 comply with the provisions of IRC 6033 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:**

To be determined

**GOVERNMENTS POSITION:**

The Service has made numerous attempts to secure information, by telephone and correspondence, in an effort to determine whether :

1. Continues to meet the organizational and operational requirements of IRC 501(c)(3)
2. Conducted any prohibited activities, to include: inurement, excess benefit transactions subject to tax under 4958, significant legislative and political activities and
3. Is subject to any additional tax liabilities and/or penalties pertaining to employment tax and information returns.

Information pertaining to the organization's exempt purposes and activities were secured from the IRS determination administrative record. Although this information provides a description of activities, it does not substantiate the organization's current activities or financial status, which is material in establishing right to continued exemption under IRC 501(c)(3).

Additionally, was given adequate opportunities to provide requested information as identified above. The IRS mailed correspondence to the organization at as confirmed by the President. The IRS received signed PS Forms 3811, Domestic Return Receipts, from the organization in acknowledgement of IRS correspondence received at yet, failed to provide a response to our request for records.

Since did not comply with the IRS's request for information and thus did not comply with Tax Reg. 1.6001-1(e) and 1.6033-2(i)(2), the government has no way of determining whether its activities are consistent with its exempt status under IRC 501(c)(3). And since did not provide sufficient records to establish that it meets the operational test as set forth in Tax Reg. 1.501(c)(3)-1, it is the government's position that their tax exempt status be revoked.

**CONCLUSION:**

The tax exempt status of under IRC 501(c)(3) should be revoked since it has failed to establish that it is observing the conditions required for continuation of exempt status by not providing information requested by the IRS as set forth under Tax Reg. 1-6033-2(i)(2).

The effective date of revocation of is January 1, 20XX.