



**Department of the Treasury  
Internal Revenue Service**

P.O. Box 2508  
Cincinnati, OH 45201

Release Number: **201824012**

Release Date: 6/15/2018

UIL Code: 501.03-05  
501.03-30

Date: March 23, 2018

Employer ID number:

Contact person/ID number:

Contact telephone number:

Form you must file:

Tax years:

Dear :

This letter is our final determination that you don't qualify for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the Code). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under Section 501(c)(3) of the Code, donors can't deduct contributions to you under Section 170 of the Code. You must file federal income tax returns for the tax years listed at the top of this letter using the required form (also listed at the top of this letter) within 30 days of this letter unless you request an extension of time to file.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection (as required under Section 6110 of the Code) after deleting certain identifying information. Please read the enclosed Notice 437, *Notice of Intention to Disclose*, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Notice 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

We'll also notify the appropriate state officials of our determination by sending them a copy of this final letter and the proposed determination letter (under Section 6104(c) of the Code). You should contact your state officials if you have questions about how this determination will affect your state responsibilities and requirements.

If you have questions about this letter, you can contact the person listed at the top of this letter. If you have questions about your federal income tax status and responsibilities, call our customer service number at 1-800-829-1040 (TTY 1-800-829-4933 for deaf or hard of hearing) or customer service for businesses at 1-800-829-4933.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures:

Notice 437

Redacted Letter 4036, *Proposed Adverse Determination Under IRC Section 501(c)(3)*

Redacted Letter 4038, *Final Adverse Determination Under IRC Section 501(c)(3) - No Protest*



Department of the Treasury  
Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201

Date: January 17, 2018

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

**Legend:**

G = Game 1  
H = Game 2  
X = Date 1  
Y = Date 2  
Z = State

**UIL:**

501.03-05  
501.03-30

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

We considered your application for recognition of exemption from federal income tax under Section 501(a) of the Internal Revenue Code (the Code). Based on the information provided, we determined that you don't qualify for exemption under Section 501(c)(3) of the Code. This letter explains the basis for our conclusion. Please keep it for your records.

**Issues**

- Do you qualify for tax exemption under Section 501(c)(3) of the Code? No, for the reasons described below.
- Do you meet the organizational test under Section 501(c)(3) of the Code? No, for the reasons described below.
- Do you meet the operational test under Section 501(c)(3) of the Code? No, for the reasons described below.

**Facts**

You submitted Form 1023-EZ, *Streamline Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, on X.

You attest that you were incorporated on Y, in the state of Z. You also attest that you have the necessary organizing document, that your organizing document limits your purposes to one or more exempt purposes

within the meaning of Section 501(c)(3) of the Code, that your organizing document does not expressly empower you to engage in activities, other than as an insubstantial part, that are not in furtherance of one or more exempt purposes, and that your organizing document contains the dissolution provision required under Section 501(c)(3).

You attest that you are organized and operated exclusively to further charitable purposes. You attest that you have not conducted and will not conduct prohibited activities under Section 501(c)(3) of the Code. Specifically, you attest you will:

- Refrain from supporting or opposing candidates in political campaigns in any way
- Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially
- Not be organized or operated for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s)
- Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a Section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in Section 501(h)
- Not provide commercial-type insurance as a substantial part of your activities

During our review of your Form 1023-EZ, we requested detailed information supplemental to the above attestations. You provided a further activity description in writing. We mailed you a copy of your Articles of Incorporation that we obtained from the Z Secretary of State website.

Your Articles of Incorporation do not include a written purpose clause.

Your dissolution clause provides:

“On dissolution or final liquidation of the corporation, its assets shall be distributed as follows:

- (1) All liabilities shall be paid and discharged, or adequate provision for payment and discharge shall be made.
- (2) Assets held on condition requiring return or transfer on dissolution of the corporation shall be returned or transferred as required by the condition.
- (3) Assets received and held subject to a limitation permitting use only for charitable, religious, benevolent, educational or similar purposes, but not held on a condition requiring return or transfer on dissolution of the corporation, shall be transferred to one or more appropriate domestic or foreign corporations, societies or organizations under a plan of distribution adopted as provided in this chapter.
- (4) Other assets shall be distributed as provided by the articles of incorporation or bylaws to the extent that the articles or bylaws provide the distributive rights of members, or any class of members, or provide for distribution to others.
- (5) Any remaining assets may be distributed to persons, societies, organizations, or domestic or foreign corporations engaged in activities not for profit, as provided in a plan of distribution adopted by the council of administration of the corporation and in compliance with the constitution and bylaws of the corporation.”

Your activities include running gaming servers, holding special online events, weekly online events, and organizing meetups.

You indicated that you operate 24 hours a day to connect lesbian, gay, bisexual, transgender, and queer people and their allies through gaming and hosted multimedia events in an accessible and moderated online environment. Activities consist of chat and collaborative play online. Players from all over the world connect to your website, your moderated voice chat group, and your server to access the video games G and H which you configure and pay to host. You provide a common server where everyone can access your programs. Players volunteer to serve as moderators and operators who introduce new members to the community, moderate chat to prevent harmful behavior, and moderate gameplay to prevent cheating.

Special online events take place one to three times per quarter. They may consist of contests with prizes awarded that take place online, whether created in a video game on one of your servers, or occurring online through the server's web forums. Prizes are often virtual, consisting of play-currency on the G server, or may be real prizes consisting of gifts to download a video game. Games may be donated or you may purchase the games for these purposes. The purpose of the contests and prizes is to bring people together and foster community.

Weekly, a volunteer DJ hosts an online radio show. Players connect to listen through a web browser or radio player on their own device; or, they may participate live, interfacing with other listeners in the server chat, in the G video game server, or on a webcam. Players can request songs to be played, and the radio show itself consists of humor and music. After each radio show, a H video game playing event takes place, giving players a common time to meet and play together. Players can chat by voice using your moderated voice chat group.

In addition to the online activities, you coordinate annual meetups in a selected city where adult members can meet in person and affirm the friendships they have developed online while playing together. Activities at meetups depend on the chosen location but can consist of time spent at museums, restaurants, arcades or tabletop gaming. Fees charged to attend meetups are proportional to your cost to host the meetup. You stated that approximately five percent of your time and resources is spent on meetups, while the rest is devoted to online activities.

Participants in your activities include adults and teenagers, although you assert most are teens. You indicated most of your userbase is lesbian, gay, bisexual, transgender, or queer. You do not charge any participation fees for any of your online activities. Your current operations are supported entirely by charitable donations from individuals. The majority of your costs are associated with hosting the G and H online gaming servers. Other resources are devoted to improving the quality of gameplay and preventing server latency. You also incur expenses for your website, which integrates with the video game servers, and the VPN (virtual private network), which provides security.

#### **Law**

Section 501(c)(3) of the Code exempts from federal income tax: corporations, and any community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) provides that for an organization to be exempt under Section 501(c)(3) of the Code, it 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 or operational test, it is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) provides that an organization is organized exclusively for one or more exempt purposes only if its organizing document limits the purposes of such organization to one or more exempt purposes and does not expressly empower the organization to engage, otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes.

Treas. Reg. Section 1.501(c)(3)-1(b)(4) provides that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. An organization's assets will be considered dedicated to an exempt purpose, for example, if, upon dissolution, such assets would, by reason of a provision in the organization's articles or by operation of law, be distributed for one or more exempt purposes, or to the federal or state or local government for a public purpose.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more such exempt purposes specified in Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) provides that the term "charitable" is used in Section 501(c)(3) of the Code in its generally accepted legal sense and includes relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening of the burdens of Government; promotion of social welfare by organizations designed to accomplish any of the above purposes; and, among other purposes, to combat community deterioration and juvenile delinquency.

Treas. Reg. Section 1.501(c)(3)-1(d)(3) provides in relevant part that the term "educational" as used in Section 501(c)(3) of the Code relates to the instruction of the public on subjects useful to the individual and beneficial to the community. The regulations further provide that an organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of pertinent facts to permit the public to form an independent opinion or conclusion.

Revenue Ruling 68-72, 1968-1 C.B. 250, describes an organization that operated a supervised facility to bring together young people of college age with church leaders, educators and leading businessmen of the community for the purpose of holding discussions on religion, current events, and social problems. It was formed for the purpose of furthering the religious, intellectual and moral development of persons of college age through the operation of a "coffee house." Personal counselling was provided to aid the young adults in making social adjustments. The social aspects of the organization were merely incidental to and in furtherance of its charitable purpose.

Revenue Ruling 77-366, 1977-2 C.B. 192, provides that a nonprofit organization that arranges and conducts winter-time ocean cruises during which activities to further religious and educational purposes are provided in addition to extensive social and recreational activities is not operated exclusively for exempt purposes and does not qualify for exemption under Section 501(c)(3) of the Code. In addition to the usual cruise activities, the

programs conducted on each cruise include a schedule of lectures, discussion groups, and special interest workshops on religious topics, at which attendance is not required. The organization accomplished both charitable and non-charitable purposes through its cruises.

Revenue Ruling 78-305, 1978-2 C.B. 172, describes an organization formed to educate the public about homosexuality in order to foster an understanding and tolerance of homosexuals and their problems. The organization collected factual information relating to the role of homosexual men and women in society and disseminated this information to the public. Such an organization furthered charitable and educational purposes and qualified for exemption under Section 501(c)(3) of the Code.

Revenue Ruling 80-215, 1980-2 C.B. 174, provides that an organization formed to develop, promote and regulate a sport for individuals under 18 years of age and to promote sportsmanlike competitions within a state qualified for exemption from federal income tax under Section 501(c)(3) of the Code. By developing, promoting, and regulating a sport for individuals under 18 years of age, the organization combats juvenile delinquency by providing a recreational outlet for the young people.

In Better Business Bureau v. United States, 326 U.S. 279 (1945), the court held that an organization is not operated exclusively for exempt purposes, and thus will not qualify for exemption under Section 501(c)(3) of the Code, if it has a single non-exempt purpose that is substantial in nature. This is true regardless of the number or importance of the organization's exempt purposes.

In Harding Hospital, Inc. v. United States, 505 F.2d 1068 (1974), the court held that an organization seeking a ruling as to recognition of its exempt status has the heavy burden of proving that it satisfies all the requirements of the exemption statute. Whether an organization has satisfied the operational test is a question of fact.

In First Libertarian Church v. Commissioner, 74 T.C. 396 (1980), the court stated that the church failed to show that it successfully segregated the clearly social and political aspects of its supper club meetings and its publication from its religious purposes. As the church operated for social and political purposes to more than an insubstantial degree, it failed to qualify for exemption under Section 501(c)(3) of the Code. The court stated that an organization will not qualify for exemption if a non-exempt activity is more than an insubstantial part of its overall activities or if an activity has more than an insubstantial non-exempt purpose. The court explained, "Clearly the regulations and cases contemplate that a single activity may be carried on for more than one purpose. If a substantial secondary purpose is not an exempt one, qualification under Section 501(c)(3) will be denied."

In Schoger Foundation v. Commissioner, 76 T.C. 380 (1981), the court concluded that a "religious retreat facility" was not operated primarily for an exempt religious purpose. The organization failed to establish how the religious retreat experience being offered differed from the experience at another quiet inn or lodge. They were operated primarily to provide members of the public with social and recreational activities in a commercial manner.

In GameHearts v. Commissioner, T.C. Memo. 2015-218, the court had to decide whether the organization was operated exclusively for the charitable purposes of promoting adult sobriety and general welfare by offering gaming opportunities in a sober environment. However, it was unable to conclude the organization was "operated exclusively" for one or more exempt purposes. The form of recreation offered as therapy was also offered by for-profit entities, and the organization introduced new participants to that for-profit recreational

market. While the organization itself did not profit from the recreation it offered, the court concluded that recreation was still a significant purpose, in addition to the therapy provided, because of the inherently commercial nature of the recreation and the ties to the for-profit recreational gaming industry. Accordingly, the organization did not operate exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code.

### **Application of law**

Section 501(c)(3) of the Code and Section 1.501(c)(3)-1(a)(1) of the regulations set forth two main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3). Based on the information you provided in your application and supporting documentation, we conclude that you fail both tests.

You do not meet the provisions of Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) because your Articles of Incorporation are lacking a written purpose clause and thus you are not organized exclusively for one or more exempt purposes described in Section 501(c)(3) of the Code; you do not have a purpose clause which limits your purposes to one or more exempt purposes.

You do not meet the provisions of Treas. Reg. Section 1.501(c)(3)-1(b)(4) because your assets are not dedicated to an exempt purpose. Your dissolution clause is not sufficiently narrow to limit the distribution of your assets exclusively for charitable, educational, or other Section 501(c)(3) purposes. For example, it states that “any remaining assets may be distributed to persons, societies, organizations, or domestic or foreign corporations engaged in activities not for profit.” This type of distribution is broader than those specified in Section 501(c)(3) of the Code. “Not for profit” activities may be outside the scope of Section 501(c)(3).

Your Articles of Incorporation do not include a written purpose clause, and the dissolution clause is not sufficiently narrow to limit the distribution of your assets exclusively for charitable purposes. Accordingly, you do not satisfy the organizational test and you are not organized for exempt purposes.

You are also not described in Section 501(c)(3) of the Code nor Section 1.501(c)(3)-1(a)(1) of the regulations because you fail the operational test. Specifically the facts show you are not operated exclusively for Section 501(c)(3) purposes but for the purpose of furthering commercial recreational purposes.

You are not operated exclusively for an exempt purpose as described in Treas. Reg. Section 1.501(c)(3)-1(c)(1). Specifically the facts show you engage in a substantial non-exempt activity, namely providing access to online gaming servers to people of all ages. Although your activities are geared towards lesbian, gay, bisexual, transgender, and queer people and their allies, more than an insubstantial part of your activities are in furtherance of the non-exempt purpose of recreational gaming.

Your activities do not fall within the definition of “charitable” as found in Treas. Reg. Section 1.501(c)(3)-1(d)(2). Although some of the participants in your activities may qualify as distressed or underprivileged, you have not demonstrated that the activities you conduct are exclusively charitable. You are hosting game servers accessible to anyone throughout the world, and there is no way you can ensure that online participants are members of a charitable class, such as youth below the age of 18 years. You have indicated that adults participating in the gaming activities may participate in meetups and meet in-person after playing together online, thus you cannot contend that your exclusive focus is on combating juvenile delinquency.



You are distinguishable from the organization described in Rev. Rul. 68-72. You do not operate a supervised facility focused on young adults wherein they may take part in discussions on subjects such as current events and social problems or receive personal counseling. Substantially all of your activities take place in an online environment. There are no assurances that participants are under the age of 18, or even young adults of college age. Participants of any age may play games and interact in your virtual space. You have no way to restrict access to participants of a certain age; anyone may create a profile and sign up to play. Although your volunteers may moderate chat to prevent harmful behavior and moderate gameplay to prevent cheating, your activities are focused on playing online games such as G and H as opposed to providing personal counseling or social services. The social aspects of the organization described in Rev. Rul. 68-72 were merely incidental to and in furtherance of its charitable purpose, whereas any charitable or educational services you provide are incidental to the recreational and social aspects of online gaming.

You are like the organization described in Rev. Rul. 77-366. In this example, individuals on the cruise had access to educational and religious lectures and workshops, but attendance at these events was not required. Participants in your activities may have access to peer counseling and support, however they may choose to take part in online gaming without accessing such services. You have extensive social and recreational activities that are not consistent with the purposes described under Section 501(c)(3) of the Code. Similar to the organization described in Rev. Rul. 77-366, the extensive amount of time, energy, and other resources which are regularly devoted to the conduct of social and recreational gaming activities, together with the manner in which such activities are conducted online like other recreational gaming programs, demonstrates that your social and recreational activities serve substantial independent purposes of a non-charitable nature.

Unlike the organization described in Rev. Rul. 78-305, you are not collecting factual information to disseminate to the general public in order to educate them about homosexuality in order to foster an understanding and tolerance of homosexuals and their problems. Your activities do not fall within the definition of "educational" as found in Treas. Reg. Section 1.501(c)(3)-1(d)(3) because you are not instructing members of the public on subjects useful to the individual and beneficial to the community. Rather, you are hosting online recreational gaming where lesbian, gay, bisexual, transgender, and queer players may interact.

You are not like the organization described in Rev. Rul. 80-215. You are not combating juvenile delinquency by providing a recreational outlet for youth ages 18 years or younger. You have no way to limit participation in your gaming to youth who are under the age of 18. Participants of any age may play G and H via your server. Your primary activity is operating in a social and recreational manner through the provision of game servers for recreational purposes. Furthermore, your activities do not exclusively serve a charitable class of individuals, such as youth under the age of 18.

The court in First Libertarian Church v. Commissioner explained that a single activity may be carried on for more than one purpose. But if a substantial secondary purpose is not an exempt one, qualification under Section 501(c)(3) of the Code will be denied. We acknowledge that you offer access to an environment where lesbian, gay, bisexual, transgender, and queer people may interact without being exposed to harmful behavior. However, you also serve to promote the online recreational gaming industry in general. Accordingly, more than an insubstantial part of your activities is devoted to recreational activities. Therefore, you are not operated exclusively for exempt purposes described under Section 501(c)(3).

You are like the organization in Schoger Foundation v. Commissioner. They failed to establish how their religious retreat experience was any different from an experience at any other quiet inn or lodge providing

social and recreational activities in a commercial manner. Similarly, you have failed to establish how providing access to online gaming differs from any other game servers providing access to the same types of games.

You are like the organization in GameHearts v. Commissioner. Your recreational gaming activities may serve as therapy to a specific group of individuals. However, providing access to games such as G and H serves to promote the for-profit recreational gaming market in general. Aside from the fact that you claim to serve a disadvantaged group, hosting a server where participants may play games such as G and H is indistinguishable from other online commercial gaming companies providing access to such games. Although there is no evidence you are profiting from the recreation you offer, recreation is nonetheless a significant purpose of your organization. And as stated in Better Business Bureau v. United States, an organization will not qualify for exemption under Section 501(c)(3) of the Code if it has a single non-exempt purpose that is substantial in nature. This is true regardless of the number or importance of the organization's exempt purposes.

### **Your position**

You asserted that you exist to give a supportive environment online to lesbian, gay, bisexual, and transgender youth who have unsupportive environments in real life. You state that your G server is a place where kids can go to play the game with others, but also have the opportunity for person-to-person contact which opens communication channels that allow it to act as a social media platform. They may choose to chat in online public forums, or they may chat privately online and talk about their feelings, hardships they are facing, and get peer support from other players. You stated the at-risk youth can make friends, vent their frustrations, or gain pointers on common issues such as bullying, coming out to family, and self-acceptance.

You indicated that you give lesbian, gay, bisexual, and transgender youth a place to play and connect, free from harassment. You explained that these individuals are subjected to high levels of harassment in other forums of online gaming activity, as video games have long been the exclusive territory of young, heterosexual white males. You said you serve as a place they can access resources such as suicide prevention hotlines. You claimed that the social and entertainment aspects of your activities are incidental, but necessary, aspects to building and sustaining your online community.

Lastly, you said you develop leadership and mentorship skills with the lesbian, gay, bisexual, and transgender community. You said the majority of your volunteers are teens and young adults who are often experiencing their first taste of real responsibility because they are trained in conflict resolution, interpersonal relations, peer counseling, and crisis recognition and intervention. Your founder is a social work student trained in suicide prevention who developed the strategies used by your staff to compassionately help those in crisis.

### **Our response to your position**

We do not dispute that you offer access to an online environment where lesbian, gay, bisexual, and transgender youth may find support without being exposed to harmful behavior. However, any social media platform with public and/or private chat capabilities, whether nonprofit or commercial, could be accessed and utilized for the same purpose. Using commercial online games such as G and H as a forum for your activities primarily serves to promote this for-profit gaming industry.

You are of the opinion that the social and entertainment aspects of your activities are incidental, but necessary, aspects to building and sustaining your online community. However, we contend that your charitable activities are secondary to your recreational purposes. The social aspects of the "coffee house" described in Rev. Rul. 68-

72 were merely incidental to and in furtherance of its charitable purpose, whereas any charitable or educational services you provide are incidental to the recreational and social aspects of online gaming.

Furthermore, participants from any background may play games and interact in your virtual space. You have no way to restrict access to participants of a certain age or disadvantaged group. Anyone from around the world may create a profile and sign up to play, which is no different than other commercial online gaming experiences.

Although your volunteers may moderate chat to prevent harmful behavior and intervene in a time of crisis, this is only secondary to your online gaming, contests, and radio shows. Your overall focus is on playing online games such as G and H as opposed to providing peer counseling or social services.

### **Conclusion**

Based on the above facts and analysis, we conclude that you are neither organized nor operated exclusively for Section 501(c)(3) purposes. You do not meet the organizational test for exemption because your Articles of Incorporation are lacking a written purpose clause, and your dissolution clause is not sufficiently narrow to permanently dedicate your assets to an exempt purpose. As explained in Harding Hospital, Inc. v. United States, an organization seeking a ruling as to recognition of its exempt status has the heavy burden of proving that it satisfies all the requirements of the exemption statute. You have not provided sufficient evidence to prove that you satisfy the operational test under Section 501(c)(3) of the Code. Your activities serve the substantial non-exempt purpose of providing youth and adults access to online recreational gaming.

Accordingly, you do not qualify for exemption under Section 501(c)(3) and you must file federal income tax returns. Contributions to you are not deductible under Section 170 of the Code.

### **If you don't agree**

You have a right to file a protest if you don't agree with our proposed adverse determination. To do so, you must send a statement to us within 30 days of the date of this letter. The statement must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A copy of this letter highlighting the findings you disagree with
- An explanation of why you disagree, including any supporting documents
- The law or authority, if any, you are relying on
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization, or your authorized representative
- One of the following declarations:

**For an officer, director, trustee, or other official who is authorized to sign for the organization:**

Under penalties of perjury, I declare that I examined this protest statement, including accompanying documents, and to the best of my knowledge and belief, the statement contains all relevant facts and such facts are true, correct, and complete.

**For authorized representatives:**

Under penalties of perjury, I declare that I prepared this protest statement, including accompanying documents, and to the best of my knowledge and belief, the statement contains all relevant facts and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, *Power of Attorney and Declaration of Representative*, with us if he or she hasn't already done so. You can find more information about representation in Publication 947, *Practice Before the IRS and Power of Attorney*.

We'll review your protest statement and decide if you provided a basis for us to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't provided a basis for reconsideration, we'll forward your case to the Office of Appeals and notify you. You can find more information about the role of the Appeals Office in Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court at a later date because the law requires that you use the IRS administrative process first (Section 7428(b)(2) of the Code).

**Where to send your protest**

Please send your protest statement, Form 2848, if needed, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service  
EO Determinations Quality Assurance  
Room 7-008  
P.O. Box 2508  
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service  
EO Determinations Quality Assurance  
550 Main Street, Room 7-008  
Cincinnati, OH 45202

You can also fax your statement and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that he or she received it.

**If you agree**

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

You can find all forms and publications mentioned in this letter on our website at [www.irs.gov/formspubs](http://www.irs.gov/formspubs). If you have questions, you can contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure:  
Publication 892