

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

Department of the Treasury

Date: October 20, 2020

Employer Identification Number:

Contact Person - ID Number:

Number: **202102014**
Release Date: 1/15/2021

Contact Telephone Number:

LEGEND

B = City, Country
C = City, Country
D = Museum
E = Number
x dollars = Amount
Y = Date
Z = Date

UIL

4942.03-07

Dear

Why you are receiving this letter

This is our response to your April 1, 2020 letter requesting a 60-month extension to pay out a set-aside approved on July 11, 2016.

Our ruling dated July 11, 2016 approved a set-aside in the amount of x dollars for the purpose of relocating D from C to B with payout date no later than Y. You are requesting advance approval of a 60-month extension of time to pay the set-aside amount of x dollars beyond Y until Z.

Our determination

Based on the information submitted, we conclude that you have established good cause to extend the period of time to payout the set-aside amount of x dollars approved on July 11, 2016. Therefore, we approve your request for a 60-month extension to payout the set-aside amount of x dollars no later than Z.

Your request details

Your original approval dated on July 11, 2016 was that you were to pay x dollars no later than Y for the purpose of relocating D from C to B. You provided estimated costs, physical facilities, and future sources of funding and budgets for the project. Due to the death of a family member of D, you received unexpected donation of E . This donation doubled the collection D currently has. As

a result, this increases the physical space D needs for the future site it expected in the original approval and you were not able to locate a suitable site for D despite your diligent efforts to do so.

The anticipated cost of the future site for D has dramatically increased due to increase in land values in B since the original approval was granted. The anticipated cost of construction, labor and material, for the future site of D has also increased substantially in B within last five years. The national sales tax rate in B also increased. As a result, you have to increase the budget for the construction costs to meet the particular structural and environmental requirements.

You expected there was going to be shortage of manpower B in the original approval due to large-scale upcoming events in the city. The unusual heavy demand and scale for construction services and architects needed for these events continue to cause unavailability of project consultants, support personnel, architects, and construction companies.

Most recently, the global pandemic has caused delays and has affected economy of all areas in B and globally. Companies have told tens of thousands of workers to stay at home. Complications of the pandemic has further postponed the project.

Basis for our determination

Internal Revenue Code Section 4942(g)(2)(B)(i) provides requirements for approval of a set-aside for a specific project that will be paid out in 5 years. A foundation must establish that the project is one that can better be accomplished using the set-aside than by making an immediate payment. A set-aside also may have its period to pay extended if it satisfies the requirements of Section 4942(g)(2)(B)(i) of the Code and good cause is shown.

Section 53.4942(a)-3(b)(7)(i)(e) of the Foundation and Similar Excise Taxes Regulations provides that you must provide a statement showing good cause as to why the set aside payment period should be extended, specifying the requested extension of time.

Additional information

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

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

If you have any questions, please contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosure