

Internal Revenue Service
Appeals Office

Department of the Treasury

Employer Identification Number:

Date: **APR 14 2021**

Person to Contact:

Number: 202127041
Release Date: 7/9/2021

Employee ID Number:
Tel:
Fax:

UIL Code: 501.03-00

Certified Mail

Dear _____ :

This is a final adverse determination that you do not qualify for exemption from federal income tax under Internal Revenue Code (the "Code") section 501(a) as an organization described in Section 501(c)(3) of the Code.

We have hereby revoked the favorable determination letter to you dated November 6, 2002 and you are no longer exempt under Section 501(a) of the Code effective April 1, 2016.

We made the adverse determination for the following reason(s):

Your scholarship program does not operate according to IRC. §117(a) because services are required before scholarships are granted. This is disallowed under IRC. §117(c).

Contributions to your organization are not deductible under section 170 of the Code.

You're required to file Federal income tax returns on Forms [1120, U.S. Corporation Income Tax Return, OR 1041, U.S. Income Tax Return for Estates and Trusts]. Mail your form to the appropriate Internal Revenue Service Center per the form's instructions. You can get forms and instructions by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

We'll make this letter and the proposed adverse determination letter available for public inspection under Code section 6110 after deleting certain identifying information. We have provided to you, in a separate mailing, Notice 437, *Notice of Intention to Disclose*. Please review the Notice 437 and the documents attached that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437.

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of section 7428 of the Code in either:

- United States Tax Court,
- The United States Court of Federal Claims,
- The United States District Court for the District of Columbia.

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. Contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment. You can 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

Note: We will not delay processing income tax returns and assessing any taxes due even if you file petition for declaratory judgment under section 7428 of the Code.

Please refer to the enclosed Publication 892, How to Appeals an IRS Determination on Tax -Exempt Status, for more information about the Appeals process.

You also have the right to contact the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. Advocate assistance, please contact the Taxpayer Advocate for the IRS office that issued this letter. You If you qualify for TAS assistance, which is always free. TAX will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

TAS assistance is not a substitute for established IRS procedures, such as the formal appeals process. TAS 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.

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

Sincerely,

Enclosure: Publication 892



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
Exempt Organizations Examinations

Date:
October 25, 2019
Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact:

Employee ID:

Telephone:

Fax:

Manager's Contact Information:

Employee ID:

Telephone:

Response Due Date:

CERTIFIED MAIL – Return Receipt Requested

Dear _____

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

If you agree

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501(c)(3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

If you disagree

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to

sign a consent to extend the period of limitations for assessing tax. This is to allow the IRS Appeals Office enough time to consider your case. For your protest to be valid, it must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

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 adverse determination letter.

Contacting the Taxpayer Advocate Office is a taxpayer right

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

For additional information

You can get any of the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can contact the person shown at the top of this letter.

Sincerely,

For Maria Hooke
Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Form 6018

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

Issues:

Does () continue to qualify for exemption under Internal Revenue Code (IRC) section 501(c)(3)?

Facts:

incorporated on April 23, 20 in under the name and on April 25, 20 it amended its Articles to reflect its current name; Attachment 1.

Article Three provides a purpose statement:

ARTICLE THREE
PURPOSES

The corporation is organized and shall be operated exclusively for charitable, religious, educational, and scientific purposes, 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 of 1986 (herein the "Code"), or corresponding provisions of any subsequent federal tax laws. To the extent not inconsistent with the foregoing, the specific purposes for which this corporation is organized shall include, without limitation, the following:

3.1 To receive, administer, and expend funds for such other charitable, religious, education and scientific purposes as will, in the discretion of the directors of the corporation, most effectively assist, encourage, and promote Catholic education both within the State of and within the United States of America including any territory thereof.

Article Four provides an inurement prohibition:

4.1 No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, directors, and officers, or any private individual, except that reasonable compensation may be paid for personal services which are reasonable and necessary to carry out the exempt purposes of the corporation pursuant to Section 501(c)(3) of the Code, or corresponding provisions of any subsequent federal tax laws.

submitted Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, to the Internal Revenue Service (Service) on July 31, 20 ; Attachment 2.

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

Part II, section 1 of Form 1023 solicits a narrative description of an applicant's activities and provided the following narrative:

The organization raises funds through voluntary efforts of members, for the purpose of making grants to other educational organizations and/or churches exempt under Section 501(c)(3), including private Catholic parochial primary and secondary schools and Catholic colleges and universities. The grants are made to support the religious and educational activities of these organizations.

The members of the organization volunteer their time and talent to participate in fundraising activities, including bingo, raffles, working concession stands at sports events and similar fundraising activities. Members have a mutual interest in promoting Catholic educational opportunities and the Catholic religion.

The fundraising activities have begun as of the date of the formation of the organization in April of [] and have continued through the present date. The fundraising activities are being carried out in [] metropolitan area.

No member will receive any direct or indirect benefit from the activities of the organization. No scholarships will be awarded. The organization will have no control over the separate Section 501(c)(3) religious and educational organizations and schools to which grants will be made.

The organization is not controlled by the Catholic Church or any of the educational organizations to which grants will be made.

Part II, Question 11c asks about benefits the members will receive for their payment of dues and states member receive no benefits and participate only as volunteers for fundraising activities.

Part III, Question 14 asks if the organization will provide or administer any scholarship benefit, student aid, or similar and checked NO and did not complete Schedule H.

submitted a copy of its Bylaws, Attachment 3, with Form 1023. The Bylaws provide a detailed description of inner workings but do not provide any information of the outside activities will engage.

On November 6, 20 the Service issued Letter 947 to recognizing it as a tax-exempt organization as described in IRC section 501(c)(3) and as an organization described in IRC section 509(a)(2), Attachment 4. Letter 947 indicates an Addendum applies and the Addendum states *if your operations change you must notify us, so that we may determine the effects on your exempt status.*

filed Form 990, *Return of Organization Exempt From Income Tax*, for the period ending on November 13, 20 .

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

Part I, Summary provides:

Part I also shows \$ _____ in program service revenue and \$ _____ in grants and similar amounts paid.

Part IX shows \$ _____ in grants or other assistance to domestic individuals. Schedule I, Part III shows \$ _____ to recipients in scholarships for tuition.

_____ filed Form 990 for the period ending _____ on January 31, 20 ____ .
Part I, Summary provides:

Part I also shows \$ _____ in program service revenue and \$ _____ in grants and similar amounts paid.

Part IX shows \$ _____ in grants or other assistance to domestic organizations and \$ _____ in grants paid to domestic individuals.

Schedule I, Part III shows \$ _____ to recipients in scholarships for educational expenses.

The Service initiated an exam in April 20 ____ of _____ books and records for the period ending _____ and subsequently expanded the examination to include the period ending _____

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

website provides seven tabs and links, Attachment 5. The home page states

The *Overview* section provides a *Read what others have to say about* link to a testimonial. The testimonial is dated June 24, 20 and speaks of the difficulty of paying tuition to attend a Catholic School and thanks for their help. The *Inquire about* section states
... The same section provides a link to download a scholarship application.

The Application solicits the requestor's name, including Family number, and states

. The Application allows the applicant to check a box to attest

. A Catholic Education Expense

Reimbursement Request Form states

. The Form contains a column to

itemize and described the expenses and provides the following examples of eligible expenses:

The *About* tab provides a brief history and current information about . The first paragraph states the organization was looking for a way to help parents afford Catholic education. It mentions that the organization was looking for additional ways to expand and offer additional opportunities to fund scholarships for Catholic schools. The organization found that staffing concession stands could provide a way to offer tuition support to even more families. The tab provides: Families that wanted to volunteer for games would sign up for games in hopes of securing enough fundraising opportunities to ease the burden to tuition, with the growing need of families looking for a way to fill the gap between their budget and tuition assistance, became a vehicle for any family to provide a faithful Catholic education to their children, each year the fundraising totals and scholarships provided to families increased, with hundreds of families relying upon scholarship funds to meet their Catholic school tuition obligations, scholarship shares during the year of 20 were \$, the first year contracted stand at in 20 the scholarship share was \$.

The FAQ tab provides: help families meet their tuition obligations and other educational costs through scholarships, makes these funds available for scholarships to Catholic schools, when we sell volunteers to the venues we receive more fundraising dollars for scholarships, at the end of each venue's season your student(s) can apply for scholarship(s), scholarship funds can and have been used for Catholic education

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |
| - | | |

tuition, retreats, mission trips including _____, Catholic school sports, books, clubs and other Catholic school related expenses, and your school may make adjustments to your tuition payments based on your student's anticipated scholarship.

_____ is mentioned on _____ (____), _____ (____), and _____ websites, Attachment 6.

_____ website provides information about tuition assistance, provides a link to _____, and states:

_____ website provides information about tuition assistance, provides a link to _____, and states:

_____ website Financial Aid tab provides:

_____ provide a copy of its current Bylaws (Revised June 20____) for review, Attachment 7. The *Overview* section provides a synopsis of _____ operations and states:

Overview

The *Scheduling, Assignment, Reporting* section mentions tips and states:

| | | |
|------------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: - | | Periods Ended: _____ |

The *Shares* sections provides a description of shares and how they earned:

Shares

The *Treasurer and Scheduler Shares* section states:

provided a flyer that it uses to solicit participation, Attachment 8, and the flyer provides:

| | | |
|----------------------------|--|-----------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: - | | Periods Ended: _____ |

provided a General Ledger (GL) for the period beginning April 1, 20 and ending , Attachment 9. The GL consist of pages, the first pages show the checking activity and it shows primarily *Scholarships Paid Individuals* (Individuals) and *Scholarships Paid Organizations* (Organizations) The Individual payment details begin on page and end on page and show the payments total \$. The Organizations payment details begin on page and end on page and show the payments total \$. All entries show a number, a last name, and a school name in the memo column.

Law:

Code section 117(a) defines scholarships and states in part gross income does not include any amount received as a qualified scholarship by an individual who is a candidate for a degree at an educational organization described in section 170(b)(1)(A)(ii).

Code section 117(b)(1) states in part a qualified scholarship means any amount received by an individual as a scholarship or fellowship grant to the extent the individual establishes that, in accordance with the conditions of the grant, such amount was used for qualified tuition and related expenses.

Code section 117(b)(2) states in part for purposes of paragraph (1), the term "qualified tuition and related expenses" means (A) tuition and fees required for the enrollment or attendance of a student at an educational organization described in section 170(b)(1)(A)(ii), and (B) fees, books, supplies, and equipment required for courses of instruction at such an educational organization.

Code section 117(c)(1) provides limitation and states in part, except as provided in paragraph (2), subsections (a) and (d) shall not apply to that portion of any amount received which represents payment for teaching, research, or other services by the student required as a condition for receiving the qualified scholarship or qualified tuition reduction.

| | | |
|-----------------------------|---|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service | Schedule No. or Exhibit |
| Explanation of Items | | |
| Name of Taxpayer: | | Periods Ended: |
| - | | |

Code section 117(c)(2) provides exceptions and states in part, paragraph (1) shall not apply to any amount received by an individual under: (A) the National Health Service Corps Scholarship Program under section 338A(g)(1)(A) of the Public Health Service Act, (B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code, or (C) a comprehensive student work-learning-service program (as defined in section 448(e) of the Higher Education Act of 1965) operated by a work college (as defined in such section).

Code section 501(c)(3) exempts from federal income tax organizations 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.

Code Section 509(a)(2) describes an organization which normally receives more than one-third of its support in each taxable year from any combination of gifts, grants, contributions, or membership fees, and gross receipts from admissions, sales of merchandise, **performance of services**, or furnishing of facilities, **in an activity which is not an unrelated trade or business (within the meaning of section 513)**, not including such receipts from any person, or from any bureau or similar agency of a governmental unit (as described in section 170(c)(1)), in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1 percent of the organization's support in such taxable year, from persons other than disqualified persons (as defined in section 4946) with respect to the organization, from governmental units described in section 170(c)(1), or from organizations described in section 170(b)(1)(A) (other than in clauses (vii) and (viii)), and normally receives not more than one-third of its support in each taxable year from the sum of gross investment income (as defined in subsection (e)) and the excess (if any) of the amount of the unrelated business taxable income (as defined in section 512) over the amount of the tax imposed by section 511.

Federal Tax Regulations (Regulations) section 1.501(c)(3)-1(a) states in part that in order to be exempt as an organization described in Code section 501(c)(3), the 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. The term "exempt purpose or purposes", as used in this section, means any purpose or purposes specified in section 501(c)(3).

Regulations section 1.501(c)(3)-1(b)(4) states in part that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

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 government, or to a State or local government, for a public purpose, or would be distributed by a court to another organization to be used in such manner as in the judgment of the court will best accomplish the general purposes for which the dissolved organization was organized. However, an organization does not meet the organizational test if its articles or the law of the State in which it was created provide that its assets would, upon dissolution, be distributed to its members or shareholders.

Regulations section 1.501(c)(3)-1(c)(1) provides that an organization will not be regarded as operated exclusively for exempt purposes if more than an insubstantial part of its activities is not in furtherance of exempt purposes.

Taxpayer's Position:

The Taxpayer has not provided a formal response to this report, once a response is provided it will be incorporated into this report.

Government's Position:

is not operating exactly as it stated it would operate on Form 1023. stated it would operate concession stands at professional sporting events for a fee, donate the proceeds to educational organizations, and ensure no members received any direct or indirect benefit. continues to operate concession stands at professional sporting events for fee but provides payments to the workers staffing the concession stands. Although operating a concession stand of itself is not a charitable activity, because was to donate the proceeds to educational organizations and was not to provide a benefit to its members, the activity was deemed charitable and was granted tax-exempt recognition.

changed its method as far back as 20 or never operated in the manner it stated on Form 1023. continues to staff concession stands with its member and receives a fee from the concessioner, but the proceeds are not donated to charitable organizations, they are disbursed to the members. allows its members to track the number of hours they work a concession stand and that time is converted into what calls *shares*. The term shares, as used by means dollars. Members earn shares when they work a concession stands and the member can later request to be paid their share. Despite the terms used by, is operating no different than a staffing agency because it provides workers to staff the concession stands and the workers receive compensation for their services.

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |
| - | | |

The flyer (Attachment 8) leaves no doubt that mission is to help families meet their tuition obligations through scholarships. The flyer makes no mention of any charitable activities or donations to educational institutions.

stated that it would not provide scholarships on Form 1023, Part II and Part III, but does provide what is calls scholarships. The examination established that does not provide true scholarships but labels disbursements as scholarships.

The disbursements labeled as scholarships by do not meet the scholarship definition provided in IRC 117 because the recipient must work a concession stand to earn shares before a disbursement can be requested by the worker.

current Bylaws (Attachment 7) and its website (Attachment 5) provide detailed information about activities and centers around *shares*. The Bylaws use the term *share/shares* throughout the document, and it is evident that *shares* are synonymous to funds and money as used in the document. The Overview section states

... The concessionaires provide funds to for their services, as noted in the deposit entries on the GL (Attachment 9).

membership consists of family members or friends of a student, or the student attending private Catholic school. A person must become a member to work the concession stands and assigns a family account number to the member. The family number is used to track all funds earned by any number of members to support a specific family. The fee paid to is based on concession sales and the type of venue. The concessionaire closes the books on a venue and pays calculates a share value on the venue based on factors such as payment amount, the number of members who staffed the stand, and the length of time the stand was operated. Once calculates the share value, it credits the member's family account accordingly and makes the funds available to its members. A member may allow the funds to accumulate or make a disbursement request. A member requests a disbursement by completing a Scholarship Form. The form allows the member to request the funds be paid directly to the member or the member can request to have the funds paid to a Catholic school of the member's choosing to pay for the member's student's tuition. A member can also complete a Catholic Education Expense Reimbursement Request Form to request a reimbursement for what deems Catholic education expenses. Regardless of the method used it translates to private benefit because the individual received a financial benefit for the services they provide.

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

classifies the members staffing the concession stands as volunteers but the facts do not support the assertion. A volunteer is someone who provides a service for no consideration; in this case the members receive a financial benefit for the services they provide. The financial benefit is the share the individual receives for the services provided.

asserts that members are volunteers because they do not receive a direct payment from the concessionaire nor , this assertion is contradicted by the facts on hand. The concessionaires do not provide a direct payment to members, the concessionaires pay for the services provided by the members, and pays the members. The Scholarship and Reimbursement Forms allow a member to request direct payment from . The Scholarship Form also allows a member to elect to have a payment made directly to a Catholic school, but not as a donation, but as payment for the member's student's tuition. Regardless of the payment mechanism, whether the payment is made to the member or paid to the school, it still bestows a financial benefit to the member. The only distinction is the payment methods is that one relieves the member from making a direct payment to the school for their child's tuition.

The information on Forms 990, Part I for the years ending and is deceptive. asserts members do not receive any direct compensation, enumeration, or income, this is false, the members receive payment for the services they provide . The reported grants paid on Part I are not grants at all, they are payments made directly to its members or to Catholic schools on behalf of its members to pay for a member's student's tuition.

Form 990 for the period ending , Schedule I, Part III shows \$ to recipients in scholarships for tuition, meaning on average each recipient received \$.

Form 990 for the period ending , Schedule I, Part III shows \$ to recipients in scholarships for tuition, meaning on average each recipient received \$.

The GL (Attachment 9) shows made payments, classified as scholarships by , to individuals. The *Scholarships Paid Individuals* details shows the payments total \$. Each entry shows a three-digit family account number, the family last name, and the school the student attended.

The first entry shows family account number , last name of , and a \$ payment. The second entry shows family account number , last name of

| | | |
|-------------------|--|-------------------------|
| Form 886A | Department of the Treasury - Internal Revenue Service Explanation of Items | Schedule No. or Exhibit |
| Name of Taxpayer: | | Periods Ended: |

, and a \$ payment. This shows the family received a total of \$ on check earmarked to pay tuition at two different schools. The check was made payable to . Despite classification of the payments as *Scholarships Paid Individuals*, the payments are not scholarships but are in fact payments for services provided.

The GL shows made payments, classified as scholarships by , to private Catholic schools on behalf of individuals to pay for tuition. The *Scholarships Paid Organizations* detail show the payments total \$. The GL shows three entries on April 16, 20 related to family account number . The first entry shows family account , last name of , and a \$ payment. The second entry shows family account number , last name of , and a \$ payment. The third entry shows the family account number , last name of , and a \$ payment. This shows paid a total of \$ to schools on behalf of the family for tuition. The payments were made with checks; check made payable to and check made payable to . Despite classification of the payments as *Scholarships Paid Organizations*, the payments are not scholarships but are in fact payments for services provided.

The information found on , and leave no doubt that is an organization dedicated to help individuals raise funds to pay to their children's private Catholic school tuition.

Conclusion:

does not continue to qualify for exemption because it does not carry on any charitable activities and private benefit to its members exist. The examination established that does not operate for its stated purpose and members receive direct financial benefit from activities. does not provide true scholarships but labels disbursements as scholarships. The examination established functions as a staffing agency; provides workers to staff concession stands for a fee and pays those individuals for their services. The effective date of the revocation should be April 1, 20 , the first day of the years under exam.