



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

Date: May 10, 2021

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Release Number: 202237016

Release Date: 9/16/2022

UIL Code: 501.03-00

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED:**

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

**Why we are sending you this letter**

This is a final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), effective \_\_\_\_\_ . Your determination letter dated \_\_\_\_\_ , is revoked.

Our adverse determination as to your exempt status was made for the following reasons:

Organizations described in IRC Section 501(c)(3) and exempt under IRC Section 501(a) must be both organized and operated exclusively for exempt purposes. You have not demonstrated that you are both organized and operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC 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. You have also failed to produce documents to establish you are operated exclusively for an exempt purpose.

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms and information please visit [www.irs.gov](http://www.irs.gov).

Contributions to your organization are no longer deductible under IRC Section 170.

**What you must do if you disagree with this determination**

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

**How to file your action for declaratory judgment**

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of IRC Section 7428 in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims or 3) the United States District Court for the District of Columbia.

Please contact the clerk of the appropriate court for rules and the appropriate forms for filing an action for declaratory judgment by referring to the enclosed Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status. You may write to the courts at the following addresses:

United States Tax Court 400 Second Street, NW Washington, DC 20217	U.S. Court of Federal Claims 717 Madison Place, NW Washington, DC 20439	U.S. District Court for the District of Columbia 333 Constitution Ave., N.W. Washington, DC 20001
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Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

We'll notify the appropriate state officials (as permitted by law) of our determination that you aren't an organization described in IRC Section 501(c)(3).

**Information about the IRS Taxpayer Advocate Service**

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS, or you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Contact your local Taxpayer Advocate Office at:

Or call TAS at 877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov). Do not send your federal court pleading to the TAS address listed above. Use the applicable federal court address provided earlier in the letter. Contacting TAS does not extend the time to file an action for declaratory judgment.

**Where you can find more information**

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

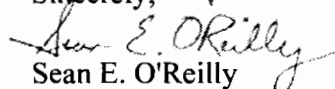
Find tax forms or publications by visiting [www.irs.gov/forms](http://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676).

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

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

Keep the original letter for your records.

Sincerely,



Sean E. O'Reilly

Director, Exempt Organizations Examinations

Enclosures:  
Publication 1  
Publication 594  
Publication 892



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

**Date:**  
October 14, 2020  
**Taxpayer ID number:**

**Form:**

**Tax periods ended:**

**Person to contact:**

Name:  
ID number:  
Telephone:  
Fax:  
Address:

**Manager's contact information:**

Name:  
ID number:  
Telephone:

**Response due date:**  
November 14, 2020

**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](http://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](http://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 Sean E. O'Reilly  
Director, Exempt Organizations  
Examinations

Enclosures:  
Form 886-A  
Form 6018  
Form 4621-A  
Publication 892  
Publication 3498-A  
Form 1023-EZ  
Letter 5436

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

Date of Notice:

### ISSUES

Should (hereinafter referred to as "the organization") Internal Revenue Code (IRC) § 501(c)(3) tax-exemption be revoked due to its failure to fully respond and produce records to substantiate they meet the requirements of the organizational test?

### FACTS

On \_\_\_\_\_ filed Form \_\_\_\_\_, for tax period ending \_\_\_\_\_. A copy of the return is being provided with this report.

The organization was selected for examination to ensure its organizational documents, activities, and operations align with its approved exempt status and to verify the accuracy of its attestations.

An organization exempt under 501(c)(3) needs to be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes and to foster national and amateur sports competition.

The organization failed to fully respond to the Internal Revenue Service attempts to obtain all the necessary information to complete the examination for the tax year ending \_\_\_\_\_.

Form \_\_\_\_\_,

The organization filed Form \_\_\_\_\_ on \_\_\_\_\_. The IRS mailed Letter 5436, *Determination of Exemption Under Section 501(c)(3) as a Public Charity-EZ*, to the organization on \_\_\_\_\_, granting them tax-exemption as IRC § 509(a)(2) organization with an effective date of \_\_\_\_\_. A copy of these documents is being provided to you with this report.

### Form \_\_\_\_\_ Part II, Organization Structure

The organization was incorporated on \_\_\_\_\_ in the \_\_\_\_\_. On Part II on Form \_\_\_\_\_, the organization attested to the following:

- They have the organizing document necessary for corporations.
- Their organizing documents limits the organization's purpose to one or more exempt purposes within IRC § 501(c)(3).

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>

- Their organizing document does not expressly empower them to engage, otherwise than as an insubstantial part of their activities, in activities that in themselves are not in furtherance of one or more exempt purposes.
- Their organizing documents contain the dissolution provisions required under IRC § 501(c)(3) or that they do not need an express dissolution provision in their organizing documents because they rely on the operation of state law in the state in which they formed for their dissolution provision.

○

Correspondence for the examination was as follows:

- : Mailed Letter 3611, *EO Initial Appointment – No Prior Contact*, Form 4564, *Information Document Request (IDR) #1*, and Publication 1, *Your Rights as a Taxpayer*. The deadline was . The following was requested in the IDR: organizing documents, meeting minutes, description of the organization’s activities conducted, general ledger, records of contributions, fundraising documentation, expense documentation.
- Received letter from third party, , President of with an invalid Form 2848. The declaration of the representative indicates is unenrolled return preparer; however, didn’t sign the return.
- : Mailed via certified mail with return receipt requested. Letter 3844-A, *Correspondence Examination Follow Up*, copy of the original Letter 3611, IDR #1, Publication 1. Tracking number
- : Received correspondence from third party, which included “a partial list of information requested”. The following was included in the correspondence: flyers, Form , *Registration Statement for Charitable Organizations*, (Office of the ), , Form 4506-A, *Request for Public Inspection or Copy of Exempt or Political Organization IRS Form*, , Entity Information print retrieved by the organization from , , dated from for an “all inclusive party menu” for people with a unit price of \$ each, copies of cancelled checks to support the payments made to , one page (page 3 of 4) of a statement from for – to support payments made to
- : Letter 5077-B, *TE/GE IDR Delinquency Notice*, and IDR #2. The following was requested in IDR #2: Articles of Incorporation and all amendments stamped as received by the state (TCO asked the organization to ensure the articles have an adequate purpose clause and a dissolution clause and provided examples of the clauses), meeting minutes, documentation used to demonstrate when the activities were conducted, roster, bank statements and

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credit card statements, contracts, billing statements, invoices, receipts, and business purposes for the expenses.

- : IDR #3 sent via email to the organization, received delivery confirmation email. Document was mailed to the organization via first-class mail. IDR #3 reiterated everything requested in IDR #2 and explained the new authorization to communicate via email due to the COVID-19 pandemic, TCO provided their email address and explained the risks in communicating electronically.
- : IDR #4 with a due date of . Enclosures include Letter 5077-B, *TE/GE IDR Delinquency Notice*, IDR #2, and IDR #3 with email delivery confirmation. Due to the pandemic, TCO received permission to overnight correspondence to the organization via UPS overnight mail. UPS Tracking #: . This was delivered to the organization on
- : Sent a generic email to the organization using the "contact us" feature on their website and asked for them to TCO at office number. As of , the organization has not responded.

Telephone contact for the examination was as follows:

- : Received voicemail from third party, . TCO made outcall but was transferred multiple times to various operators. TCO was unable to leave a voicemail, as that wasn't an option. TCO left non-descript message with operator.
- : TCO made outcall to the number listed on the Form . Received a busy signal, like the number is out of service.
- : TCO made outcall to the number identified as , a board member. Reached unidentified voicemail, did not leave a message.
- : Received voicemail from , organization president. Made outcall to . Left voicemail.
- : Received voicemail from , organization president. Made outcall left voicemail.
- : Received call from , organization president. We discussed the case extensively. She stated the organization's records were left in shambles and asked for additional time. The deadline provided was
- : TCO made outcall and spoke with , organization president. TCO explained that due to the pandemic, our office received permission to receive email from taxpayers.
- : Made outcall. Reached a voicemail, identified as , that is full and unable to accept messages.



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**LAW**

**Internal Revenue Code (IRC) § 501(c)(3):** An organization organized and operated exclusively for charitable or educational purposes is exempt from Federal income tax, provided no part of its net earnings inures to the benefit of any private shareholder or individual

**IRC § 6001:** 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 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.

**IRC § 6033(a)(1):** Every IRC § 501(c)(3) tax-exempt organization as described in IRC § 501(a) 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.

**Treasury Regulation § 1.501(c)(3)-1:** In order to be exempt under IRC § 501(c)(3) the organization must be both organized and operated exclusively for one or more of the purposes specified (religious, charitable, scientific, testing for public safety, literary or educational).

**Treasury Regulation § 1.501(c)(3)-1(a)(1):** In order to be exempt as an organization described in IRC § 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.

**Treasury Regulation § 1.501(c)(3)-1(b)(1):** An organization is organized exclusively for one or more exempt purposes only if its articles of organization limit the purposes of such organization to one or more exempt purposes, do not expressly empower the organization to engage in activities which in themselves are not in furtherance of one or more exempt purposes, and contain a dissolution clause.

**Treasury Regulation § 1.501(c)(3)-1(b)(1)(i):** An organization is organized exclusively for one or more exempt purposes only if its articles of organization (a) Limit the purposes of such organization to one or more exempt purposes; and (b) Do 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.

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**Treasury Regulation § 1.501(c)(3)-1(b)(4):** 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 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.

**Revenue Procedure (Rev. Proc.) 2020-5, Section 12.03(2)** The revocation or modification of a determination letter may be retroactive if the organization omitted or misstated material information. A misstatement of material information includes an incorrect representation or attestation as to the organization's organizational documents, the organization's exempt purpose, the organization's conduct of prohibited and restricted activities, or the organization's eligibility to file Form

#### **Organization's Position**

Taxpayer's position is unknown at this time.

#### **Government's Position**

Internal Revenue Code (IRC) § 501(c)(3) tax-exemption should be revoked due to its failure to produce records to substantiate they meet the requirements of the organizational test.

IRC § 6001 and IRC § 6033(a)(1) requires all tax-exempt organizations to provide records to the IRS upon request. The IRS requested the organization provide their articles of organization multiple times. The organization failed to do so.

Per Treasury Regulation § 1.501(c)(3)-1(b)(1), an organization is organized exclusively for one or more exempt purposes only if its articles of organization limit the purposes of such organization to one or more exempt purposes, do not expressly empower the organization to engage in activities which in themselves are not in furtherance of one or more exempt purposes, and contain a dissolution clause. The organization failed to demonstrate their articles contain an adequate purpose clause and dissolution clause.

In accordance with Treasury Regulation § 1.501(c)(3)-1(a)(1), because the organization failed to meet the organizational test, it cannot not exempt.

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Because the organization failed to provide its organizing documents per Rev. Proc. 2020-5, the revocation should be retroactive, effective

**Conclusion:**

Based on the foregoing reasons, the organization does not qualify for exemption under IRC § 501(c)(3) and its tax-exempt status should be revoked.

It is the IRS's position that the organization failed to establish that it meets the reporting requirements under IRC §§ 6001 and 6033 to be recognized as exempt from federal income tax under IRC § 501(c)(3). Furthermore, the organization has not established that it is observing the conditions required for the continuation of its exempt status or that it is organized exclusively for an exempt purpose. Accordingly, the organization's exempt status is revoked effective per Rev. Proc. 2020-5.

Form , should be filed for the tax periods  
after