



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

Date: May 19, 2021

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Number: **202238018**

Release Date: 9/23/2022

**UIL: 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 failed to demonstrate that you are 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.

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

**Letter 6337 (12-2020)**  
Catalog Number 74808E

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.

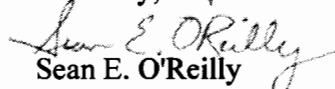
Find tax forms or publications by visiting [www.irs.gov/forms](http://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676).

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:**  
12/1/2020  
**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:**

**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.

**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.

**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

Publication 892

Publication 3498

Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

**ISSUE:**

Does \_\_\_\_\_ continue to qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code as an IRC 509(a)(3) Supporting Organization?

**FACTS:**

The organization was granted exemption under Internal Revenue Code Section 501(c)(3). The organization had received Letter 947, dated \_\_\_\_\_, which states that the organization was exempt under IRC 501(c)(3) and was not a private foundation pursuant to IRC 509(a)(3). The organization was classified as a supporting organization, but the determination letter does not indicate whether they were a Type III non-functionally integrated supporting organization.

The organization was incorporated in the state of \_\_\_\_\_ on \_\_\_\_\_.

Form \_\_\_\_\_ filed for the tax period ending \_\_\_\_\_ states that the purpose of the organization is “\_\_\_\_\_.” The Form \_\_\_\_\_ states that this is accomplished by:

- Organizing local interviews for \_\_\_\_\_ Approximately \_\_\_\_\_ applicants are interviewed annually.
- Welcoming \_\_\_\_\_ accepted by \_\_\_\_\_. Approximately \_\_\_\_\_ applicants are accepted, and a reception is offered to them.
- \_\_\_\_\_ singing groups are supported Singing groups are engaged annually Reception for group also rewards interviewers and welcomes \_\_\_\_\_ ( - )

The organization was incorporated in the State of \_\_\_\_\_ on \_\_\_\_\_. The organization’s stated exempt purpose is to operate exclusively for the benefit of and in connection with \_\_\_\_\_.

The Articles state that the organization shall engage in activities in furtherance of including:

1. Providing an organization through which alumni or \_\_\_\_\_ may contribute to the welfare of the \_\_\_\_\_.
2. Sponsoring and participating in programs aimed at developing and maintaining mutual understanding between \_\_\_\_\_, the \_\_\_\_\_, and residents of the \_\_\_\_\_ Area.
3. Participating and raising funds for \_\_\_\_\_ and promoting the donation of gifts and endowments to \_\_\_\_\_.
4. Participating in the raising of funds to establish and award scholarships for the benefit of students in attending \_\_\_\_\_.

Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

5. Encouraging the enrollment of qualified \_\_\_\_\_ in \_\_\_\_\_, The organization had clearly identified \_\_\_\_\_ as the supported organization and that the supported organization is listed by name in the governing documents.

There is no requirement in the bylaws that Trustees and/or Board members be comprised of members of \_\_\_\_\_, or that the organization is controlled or supervised by the supported organization.

The Treasurer for the \_\_\_\_\_ of \_\_\_\_\_ provided a detailed description of the organization's activities:

Our activities consist primarily of \_\_\_\_\_ meetings a calendar year. The first meeting is usually the third \_\_\_\_\_ of \_\_\_\_\_. We invite students who have been early- admitted to \_\_\_\_\_ for the following Fall. Most who attend have accepted the admission; some are still trying to decide. Parents and siblings are also invited. We send email invitations to about \_\_\_\_\_ in the \_\_\_\_\_ area. The invitations are not limited to \_\_\_\_\_ members. Usual attendance is about \_\_\_\_\_. The meeting takes place in the front hall of the house of the local organizer of \_\_\_\_\_' interviews. The main event is a singing group from \_\_\_\_\_; the group changes from year to year.

The second meeting takes place in \_\_\_\_\_, at the house of someone involved with the \_\_\_\_\_ and its interviews. This is a picnic for local \_\_\_\_\_ who are about to enter \_\_\_\_\_. It gives them a chance to meet fellow \_\_\_\_\_ from different \_\_\_\_\_ who come from the \_\_\_\_\_ area. Again, all \_\_\_\_\_ on our email list are also invited.

In the past, the \_\_\_\_\_ has organized groups to meet for dinner, travel together to \_\_\_\_\_ for \_\_\_\_\_ events, or attend \_\_\_\_\_ football, basketball, or hockey games. There are no associated costs.

For the year ending \_\_\_\_\_, the picnic took place on \_\_\_\_\_, \_\_\_\_\_ . It was at the house of \_\_\_\_\_. The early-admittance reception took place on \_\_\_\_\_, \_\_\_\_\_, at the house of \_\_\_\_\_. The singing group from \_\_\_\_\_ was \_\_\_\_\_. There is no relation between their group and the \_\_\_\_\_.

Almost as important as social support of applicants is maintaining connections of \_\_\_\_\_ with the \_\_\_\_\_ and emphasizing to applicants that \_\_\_\_\_ is a friendly place.

Payment of dues provides no benefit whatsoever, except the satisfaction of helping the \_\_\_\_\_ with a set amount.

On the Form \_\_\_\_\_ filed for the tax period ending \_\_\_\_\_, the organization had stated "No" to the question "Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the \_\_\_\_\_"

Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number ( <i>last 4 digits</i> )	Year/Period ended

governing body of a supported organizations. If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s)."

In Part VI of Schedule A of form , the organization stated "Facts and Circumstances Test", with no further explanation.

On the Form filed for the tax period ending , the organization stated "No" to the question "By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? "

**LAW:**

Section 501(c)(3) of the Internal Revenue Code provides for exemption from Federal income tax of organizations organized and operated exclusively for "charitable" purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term "charitable" is used in section 501(c)(3) of the Code in its generally accepted legal sense. Such terms include the relief of the poor and distressed or the under privileged.

Section 509(a) of the Code defines the term "private foundation" as an organization described in section 501(c)(3) other than organizations described in section 509(a)(1), (2), (3), or (4). Section 509(a)(3) provides that the term "private foundation" does not include an organization that:

(A) is organized, and at all times thereafter is operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in section 509(a)(1) or (2),

(B) is operated, supervised, or controlled by or in connection with one or more organizations described in section 509(a)(1) or (2), and

(C) is not controlled directly or indirectly by one or more disqualified persons (as defined in section 4946) other than foundation managers and other than one or more organizations described in section 509(a)(1) or (2).

Reg. 1.509(a)-4(a)(1) states that "Section 509(a)(3) excludes from the definition of private foundation those organizations which meet the requirements of subparagraphs (A), (B), and (C) thereof."

Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number ( <i>last 4 digits</i> )	Year/Period ended

Section 509(a)(3)(B) provides that a section 509(a)(3) organization must be operated, supervised, or controlled by or in connection with one or more organizations described in section 509(a) (1) or (2). Section 509(a)(3)(B) and paragraph (f) of this section describe the nature of the relationship which must exist between the section 509(a)(3) and section 509(a) (1) or (2) organizations. For purposes of section 509(a)(3)(B), paragraph (g) of this section defines operated, supervised, or controlled by; paragraph (h) of this section defines supervised or controlled in connection with; and paragraph (i) of this section defines operated in connection with.

Treas. Reg. 1.509(a)-4(b)(1) states that “Under subparagraph (A) of section 509(a)(3), in order to qualify as a supporting organization, an organization must be both organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of (hereinafter referred to in this section as being organized and operated to support or benefit) one or more specified publicly supported organizations. If an organization fails to meet either the organizational or the operational test, it cannot qualify as a supporting organization.”

Treas. Reg. 1.509(a)-4(e)(1) provides that “A supporting organization will be regarded as operated exclusively to support one or more specified publicly supported organizations (hereinafter referred to as the operational test) only if it engages solely in activities which support or benefit the specified publicly supported organizations. Such activities may include making payments to or for the use of, or providing services or facilities for, individual members of the charitable class benefited by the specified publicly supported organization. A supporting organization may also, for example, make a payment indirectly through another unrelated organization to a member of a charitable class benefited by the specified publicly supported organization, but only if such a payment constitutes a grant to an individual rather than a grant to an organization. In determining whether a grant is indirectly to an individual rather than to an organization the same standard shall be applied as in § 53.4945-4(a)(4) of this chapter. Similarly, an organization will be regarded as operated exclusively to support or benefit one or more specified publicly supported organizations even if it supports or benefits an organization, other than a private foundation, which is described in section 501(c)(3) and is operated, supervised, or controlled directly by or in connection with such publicly supported organizations, or which is described in section 511(a)(2)(B). However, an organization will not be regarded as operated exclusively if any part of its activities is in furtherance of a purpose other than supporting or benefiting one or more specified publicly supported organizations.”

Reg. 1.509(a)-4 (i)(1)(ii) provides that one of the requirements of a Supporting Organization is that it must satisfy the requirements of the responsiveness test, which is set forth in paragraph (i)(3) of this section

Reg. 1.509(a)-4(i)(3)(i) states that “A supporting organization meets the responsiveness test if it is responsive to the needs or demands of a supported organization. Except as provided in paragraph (i)(3)(v) of this section, in order to meet this test, a supporting organization must satisfy the requirements of paragraphs (i)(3)(ii) and (i)(3)(iii) of this section.”



Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

Reg. 1.509(a)-4(i)(3)(ii) states that “A supporting organization satisfies the requirements of this paragraph (i)(3)(ii) with respect to a supported organization only if –“

- (A) One or more officers, directors, or trustees of the supporting organization are elected or appointed by the officers, directors, trustees, or membership of the supported organization;
- (B) One or more members of the governing body of the supported organization are also officers, directors, or trustees of, or hold other important offices in, the supporting organization; or
- (C) The officers, directors, or trustees of the supporting organization maintain a close and continuous working relationship with the officers, directors, or trustees of the supported organization.

Reg. 1.509(a)-4(i)(3)(iii) states that “A supporting organization satisfies the requirements of this paragraph (i)(3)(iii) only if, by reason of paragraphs (i)(3)(ii)(A), (i)(3)(ii)(B), or (i)(3)(ii)(C) of this section, the officers, directors, or trustees of the supported organization have a significant voice in the investment policies of the supporting organization, the timing of grants, the manner of making grants, and the selection of grant recipients by such supporting organization, and in otherwise directing the use of the income or assets of the supporting organization.”

**TAXPAYER POSITION:**

The Treasurer for the \_\_\_\_\_ stated that the organization does not qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code as an IRC 509(a)(3) Supporting Organization.

However, the Treasurer also stated that he believes that the \_\_\_\_\_ does qualify as a not-for-profit charitable organization, fully supported by contributions and investment earnings, benefiting \_\_\_\_\_ with its activities, and spending only to further its goals in promoting education.

**GOVERNMENT POSITION:**

We are proposing the revocation of the Tax-Exempt Status of the \_\_\_\_\_ due to the fact that the organization appears to meet the Integral Part test, but does not satisfy the requirements of the Responsiveness Test, per IRC 509(a)(3)(B) and Reg. 1.509(a)-4(i)(3)(ii) and (iii). As such the organization does not qualify as a Supporting Organization under IRC 509(a)(3).

In this case, the officers, directors, trustees, or membership of the Supported Organization does not elect or appoint one or more of the officers, directors or trustees of the Supporting Organization; none of the members of the governing bodies of the Supported Organization is also an officer, director or trustee or hold other important offices of the Supporting Organization; and the officers, directors or trustees of the Supporting Organization do not maintain a close and continuous working relationship with the officers, directors, or trustees of the Supported

Form <b>886-A</b>	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
Name of taxpayer	Tax Identification Number <i>(last 4 digits)</i>	Year/Period ended

Organization. In addition, the Supported Organization does not have a significant voice in the Supporting Organization's investment policies, timing of grants, manner of making grants, and selection of recipients of grants, etc.

If an organization fails to meet either the organizational or the operational test, it cannot qualify as a supporting organization.

In addition, the activities funded and conducted by the organization do not appear to be for exclusively charitable purposes. None of the activities are directly connected with \_\_\_\_\_ and are not \_\_\_\_\_ in nature. The activities appear to be more social in nature, and therefore are not for exclusively charitable purposes. As such the organization does not qualify for exemption under IRC 501(c)(3) as it does not appear to be operated for exclusively charitable purposes.

Therefore, it is recommended that the exempt status of the organization be revoked effective \_\_\_\_\_.

Section 501(c)(7) of the Code provides for the exemption of clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

In order to establish exemption under section 501(c)(7) of the Code, the \_\_\_\_\_ should file Form \_\_\_\_\_, Application for Recognition of Exemption Under Section 501(a), with the Service.