



**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: **202242020**

Release Date: 10/21/2022

**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: You are not organized exclusively for one or more exempt purposes. Your articles of organization do not limit your purposes to one or more exempt purposes. Your articles of organization also expressly empower you to engage, otherwise than as an insubstantial part of your activities, in activities which in themselves are not in furtherance of one or more exempt purposes. In addition, your assets are not dedicated to an exempt purpose. You have also failed to produce documents to establish that you are operated exclusively for exempt purposes within the meaning of IRC Section 501(c)(3), and that no part of your net earnings inure to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures or activities as required by IRC Sections 6001 and 6033(a)(1) as well as Rev. Rul. 59-95, 1959-1 C.B. 627.

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

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:**  
February 25, 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.

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.

**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 Maria Hooke  
Director, Exempt Organizations Examinations

**Enclosures:**

Form 4621-A, Form 6018, Form 886-A,  
Publication 892, and Publication 3498-A

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

**Issues:**

Whether the exempt status of \_\_\_\_\_ (the Organization) under IRC § 501(c)(3) should be revoked, effective \_\_\_\_\_ because it is not organized exclusively for exempt purposes within the meaning of section 501(c)(3) and Treas. Reg. § 1.501(c)(3)-1(b)?

Whether \_\_\_\_\_ (the Organization), which qualified for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, should be revoked due to its failure to respond and produce records?

**Facts:**

\_\_\_\_\_ applied for tax-exempt status by filing the Form *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, on \_\_\_\_\_, and was granted tax-exempt status as a 501(c)(3) on \_\_\_\_\_, with an effective date of \_\_\_\_\_.

An organization exempt under 501(c)(3) needs to be organized and operated exclusively for \_\_\_\_\_, scientific, \_\_\_\_\_ or \_\_\_\_\_ and to \_\_\_\_\_ and \_\_\_\_\_.

The organization was selected for audit to ensure that the activities and operations align with their approved exempt status.

The organization attested on Form \_\_\_\_\_, part II, box \_\_\_\_\_ that they have the organizing document necessary for their organizational structure.

Section 501(c)(3) requires that an organizing document must limit your purposes to \_\_\_\_\_ or more exempt purposes within section 501(c)(3). The organization attested that their organizing document contains this limitation.

They also attested that their organizing document does not expressly empower you to engage, otherwise than as an insubstantial part of your activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

The organization attested that their organizing document contains the dissolution provision required under section 501(c)(3) or that they did not need an express dissolution provision in your organizing document because they rely on the operation of state law in the state in which you are formed for your dissolution provision.

The organizing documents obtained from the State of \_\_\_\_\_ do not limit the purpose of the Organization to \_\_\_\_\_ or more exempt purposes nor does it contain a proper dissolution clause.

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The Tax Compliance Officer (TCO) made several attempts to contact the Organization to request that it conform its organizing documents. Specifically, the TCO attempted to contact Organization by letter on occasions sent to the address on record. On , the officer made telephone contact with the Organization's Secretary, and was informed that the Organizations address was not used and instead provided with the Secretary's home address of

The TCO proceeded with renegotiating a due date of

On , Letter 3611, Form 4564 *Information Document Request* and Publication 1 was sent United States certified mail (tracking # ). Certified letter was signed for on at . No response from organization was received.

On , Letter 3844-A, Letter 3611 and Form 4564 *Information Document Request* was sent United States certified mail (tracking # ). Certified letter was signed for on at . No response from organization was received.

On , Letter 5077-B, Letter 3611 and Form 4564 *Information Document Request* was sent certified mail (tracking # ). Delivery attempt was made on at . Letter being returned to sender due to failure to pick-up.

The officer also called a representative of the Organization on occasions. The officer received no response to the letters or to the voice mail messages.

Telephone contact for the audit was as follows:

On , Tax Compliance Officer (TCO) called the phone number listed on Form with a tax year ending (number also corresponds with the number listed on Form ) for the Secretary of [ ]. A message was left with TCO credentials on the voicemail for the officer of the organization to return my call.

On a call was received from organization Secretary to TCO Voicemail.

On TCO returned call to organization and during call was informed that the organization no longer utilizes the address listed on the and had not received the Letter 3611, Information Document Request Form 4564 or Publication 1. A new address , the home address of the organization Secretary was obtained, and organization Secretary was

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informed that new copies of Letter 3611, Form 4564 and Publication would be promptly mailed out Certified Mail. TCO and Secretary renegotiated a due date of

On [redacted], TCO called the phone for the Secretary of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

On [redacted], TCO called the phone for the Secretary of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

On [redacted], TCO called the phone for the Secretary of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

On [redacted] TCO called the phone for the Secretary of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

On [redacted] TCO researched and found a possible number for the possible President of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

On [redacted] TCO received a phone call from the number previously called for the potential organization President [redacted] and informed by an individual that the number does not belong to [redacted].

On [redacted] TCO called the phone for the Secretary of [redacted]. A message was left with TCO credentials on the voicemail for the officer of the organization to return the call.

**Law:**

**Internal Revenue Code (IRC) §501(c)(3)** of the Code provides that 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 §511** of the Internal Revenue Code imposes a tax at corporate rates under section 11 on the unrelated business taxable income of certain tax-exempt organizations.

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**IRC §6001** of the Code provides that 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)** of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 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 Regulations (Regulation) 1.501(c)(3)-1** In order to be exempt under §501(c)(3) the organization must be both organized and operated exclusively for one or more of the purposes specified in the section. (religious, charitable, scientific, testing for public safety, literary or educational).

**Regulation §1.501(c)(3)-1(a)(1)** of the regulations states that in order to be exempt as an organization described in section 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.

**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.

**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



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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.

**Regulation §1.501(c)(3)-1(c)(1)** of the regulations provides that an organization will not be regarded as "operated exclusively" for one or more exempt purposes described in section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of a 501(c)(3) purpose. Accordingly, the organization does not qualify for exemption under section 501(c)(3) of the Code.

**Regulation §1.6001-1(c)** of the Code provides that such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by section 6033. See section 6033 and §§ 1.6033-1 through 1.6033-3.

**Regulation §1.6001-1(e)** of the Code provides that the books or records required by this section shall be kept at all time available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

**Regulation §1.6033-1(h)(2)** of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

**Regulation §1.61-1** of the regulations provides that Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash.

**Rev. Rul. 59-95, 1959-1 C.B. 627**, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

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**Rev. Proc. 2019-5, Sec 11.02 (3) Inaccurate information on request.** A determination letter issued to an organization that submitted a request in accordance with this revenue procedure may not be relied upon by the organization submitting the request if it was based on any inaccurate material information submitted by the organization. Inaccurate 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

Based on the above facts and law, the Organization has not established that its organizing documents limiting the purpose of the organization to one or more exempt purpose, or a proper dissolution clause that meet the organizational test under IRC section 501(c)(3), at the time of applying for tax exemption.

If an organization fails to meet either the organizational test or the operational test, it is not exempt.

The Organization fails the organizational test because it did not establish that it had an organizing document that complied with section 501(c)(3) at the time of applying for tax exemption. Because it never had an organizing document that meets the requirements of section 501(c)(3), and because it misrepresented that fact in its Form , the revocation is effective as of the date of exemption,

Furthermore, in accordance with the above-cited provisions of the Code and regulations under sections 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information forms, other required federal tax forms, and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

Section 1.6033-1(h)(2) of the regulations specifically state that exempt organizations shall submit additional information for the purpose on enabling the Internal Revenue Service to inquire further into its exempt status.

Using the rationale that was developed in Revenue Ruling 59-95, the Organization's failure to provide requested information should result in the termination of exempt

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status.

**Conclusion:**

Based on the foregoing reasons, it is the IRS's position that the organization failed to establish that it meets the organizational test as required IRC §§ 501(c)(3) for it to be exempt from federal income tax under IRC § 501(c)(3). It is also 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 and operated exclusively for an exempt purpose. Accordingly, the organization's exempt status is revoked effective

Form \_\_\_\_\_, *U.S. Corporation Income Tax Return*, should be filed for the tax periods after