



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

Date: September 9, 2021

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Number: 202242021

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: 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 adequately 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 the regulations thereunder. You also failed to demonstrate that you are operating exclusively for one or more exempt purposes as required by Treasury Regulations Section 1.501(c)(3)-1(c)(1).

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.

Because you were a private foundation as of the effective date of the adverse determination, you are considered to be a taxable private foundation until you terminate your private foundation status under IRC Section 507. In addition to your income tax return, you must also continue to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, by the 15th day of the fifth month after the end of your annual accounting period.

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.

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:

Internal Revenue Service
Taxpayer Advocate Office

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. 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.

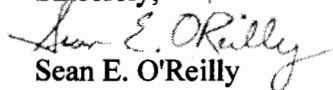
Find tax forms or publications by visiting www.irs.gov/forms or calling 800-TAX-FORM (800-829-3676).

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 20, 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 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,

Denise Gonzalez for

Sean E. O'Reilly
Director, Exempt Organizations
Examinations

Enclosures:

Form 886-A

Form 6018

Publications 892 and 3498

Form 886-A	Department of the Treasury – Internal Revenue Service Explanations of Items	Form:
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

Issue:

Whether _____ continues to qualify for exemption under Section 501(c)(3) of the Internal Revenue Code and should be revoked?

Facts:

The _____ () is a _____ nonprofit corporation, incorporated on _____ specific and primary purpose, per its' Articles, bylaws, and as restated on its Form _____ Application for Recognition of Exemption, dated _____, is that _____ is devoted to _____ and _____ empowerment in _____ members

On _____ the Internal Revenue Service (IRS) sent _____ Letter _____ with the following provisions:

We have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundations status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(a)(vi). Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling begins _____ and ends _____

Effective _____, the IRS classified the _____ as a private foundation under section 509(a) of the Code. This classification was based on information _____ submitted, Form 8734, Support Schedule for Advance Ruling Period, reporting no support during _____ advance-ruling period.

The IRS approved, in a letter dated _____, _____ intent to terminate its private foundation status under section 507(b)(1)(B) of the Internal Revenue Code during a _____-month period beginning _____ and ending _____

Based on _____ proposed activities and support during the _____-month period, it was held that _____ was to be treated as a public charity described in section 509(a)(2) of the Code. _____ was required to file Form _____, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation, until _____ completed its _____-month termination and classified as a section 509(a)(2) organization.

Additional provisions contained in the letter dated _____ :
Within _____ days after the end of your _____ month period, you must establish to the satisfaction of the Internal Revenue Service that you have qualified as an organization which meets the requirements of paragraph (1), (2), or (3) of section 509(a) of the Code for the _____-month period. If

Form 886-A	Department of the Treasury – Internal Revenue Service Explanations of Items	Form:
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you do establish that fact, you will be so classified for all purposes beginning with the first day of the first taxable year of the month period and thereafter, so long as you continue to meet the requirements of section 509 (a)(1), (2), or (3). If, however, you do not meet these requirements for the 60-month period, you will be classified as a private foundation as of the first day of the first taxable year of the -month period.

filed Form for tax year ending through
 However, on , filed Form , Return of Organization Exempt from Income tax, for the period ended without establishing to the satisfaction of the IRS that they qualified as an organization which meets the requirements of paragraph (), (), or () of section 509(a) of the Code for the -month period that ended

has filed Form for tax years ending through . EO
 has not filed any returns (Form or) subsequent to

The IRS issued Letter 2694C on and to notify the taxpayer of the following:

“Based on the information shown on your return, complete Schedule , Public Charity Status and Public Support, Part III, Support Schedule for Organizations Described in Section 509(a)(2) or explain why you're not required to file it. If your organization is a private foundation, then file Form , Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, instead.”

did not respond to either notice or make any attempt to show public support.

On was selected for audit of tax year . Revenue agent made the following attempts to request information regarding day to day operations including financial information to determine their qualification as tax exempt under IRC 501(c)(3):

- Form 4564, Information Document Request, Initial request
Form 3611, Appointment letter
- Form 4564, Information Document Request, 2nd request
Form 3611, Appointment letter
- Form 4564, Information Document Request, 3rd request
Form 3611, Appointment letter
- Form 4564, Information Document Request, 4th request and Final
Form 3611, Appointment letter
- Form 5077-D, Delinquency Notice Pre-Summons
- Form 5077-A, Information Document Request Pre-Summons

Revenue agent mailed the letters certified and tracking shows the letters were successfully delivered with signature receipts. No requested information was provided

Form 886-A	Department of the Treasury – Internal Revenue Service Explanations of Items	Form:
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Law:

Section 501(c)(3) of the Internal Revenue Code provides for exemption of organizations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals, and that no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501-1(a)(2) of the Treasury Regulation provides an organization that has been determined by the Commissioner (or previously by a district director) to be exempt under section 501(a) or the corresponding provision of prior law may rely upon such determination so long as there are no substantial changes in the organization's character, purposes, or methods of operation.

Section 1.501(c)(3)-1(a)(1) of the Regulations provides that in order to be exempt as an organization described under section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(b)(1)(i) of the Regulations provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization limit its purposes to one or more exempt purposes and do not expressly empower it to engage, otherwise than as an insubstantial part, in activities which in themselves are not in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-1(b)(4) of the Regulations states that 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, 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.

Treasury Regulations section 1.501(c)(3)-1(c)(1) Operational test-- states that an organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treasury Regulations section 1.501(c)(3)-1(d)(1)(ii) states an organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of this subparagraph unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

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Section 509(a)(2) of the Code describes an organization that receives no more than one-third of its support from gross investment income and more than one-third of its support in each tax year from a combination of the following:

- i) gifts, grants, contributions, or membership fees from other than a disqualified person, and
- ii) gross receipts from admissions, sales of merchandise, performance of services or furnishing of facilities in an activity that is not an unrelated business (to the extent that gross receipts from any one individual does not exceed the greater of \$5,000 or one percent of the organization's total support on that tax year.

Section 170(b)(1)(A)(vi) of the Code describes an organization "which normally receives a substantial part of its support from a governmental unit ... or from direct or indirect contributions from the general public."

Section 1.170A-9(f)(2) of the Regulations states that an organization is publicly supported if it normally receives at least 33 1/3 percent of its total support from a governmental unit or from direct or indirect contributions from the general public.

The court in Church of Spiritual Technology v. United States, 26 Cl. Ct. 713, 729-730 (1992), aff'd w/o opinion, 991 F.2d 812 (Fed. Cir.), cert. denied, 510 U.S. 870, (1993), cited a line of authority holding that the applicant bears the burden of showing it is entitled to exemption. In Harding Hospital, Inc. v. United States, 505 F.2d 1068, 1071 (6th Cir. 1974), the court stated that tax exemptions "must be strictly construed, with any doubts to be resolved in favor of the taxing entity. Consequently, determinations of the Commissioner are presumed correct. Id. at 1071-1072"

Similarly, Church of Spiritual Technology, 26 Cl. Ct. at 730, cited Welch v. Helvering, 290 U.S. 111, 113, (1993) and cases following its structure that indicate "plaintiff thus bears the burden of proving its entitlement to an exemption."

The Tax Court has consistently stated that a statute creating an exemption must be strictly construed and any doubt must be resolved in favor of the taxing power. Harding Hospital, Inc. v. United States of America, 505 F2d. at 1071.

26 U.S.C.S. § 501(c)(3) of the Internal Revenue Code provides that a corporation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes is exempt from federal income taxes so long as no part of its net earnings inure to the benefit of a private individual and no substantial part of its activities involves lobbying or political activities. 26 U.S.C.S. § 501(a), (c)(3). Contributions to § 501(c)(3) organizations are deductible from the donor's income taxes, 26 U.S.C.S. § 170(c), estate taxes, 26 U.S.C.S. §§ 2055(a)(2), 2106(a), and gift taxes, 26 U.S.C.S. § 2522(a).

Section 509(a) of the Code provides that organizations exempt under I.R.C. § 501(c)(3) are private foundations unless the organization fits within certain classes of public charities described in section 509(a)(1)-(4) and thereby qualifies for non-private foundation status. I.R.C. § 509(a) (2006); Church

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of the Visible Intelligence that Governs the Universe v. United States Church of the Visible Intelligence, 4 Cl. Ct. 55, 64 (1983) ("Under the statutory scheme, an organization which satisfies the section 501(c)(3) criteria is considered a private foundation unless it establishes that it comes within four specified exceptions."). Specifically, at issue in this case is the provision within § 509(a)(1) affording exemption from private foundation status to organizations described in I.R.C. § 170(b)(1)(A).

Internal Revenue Code section 6001 provides that every person liable for any tax imposed by the Code, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

Internal Revenue Code section 6033 (a)(1) provides, except as provided in section 6033(a)(3), every organization exempt from taxation 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 purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall 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 section 1.6001-1(a) In general. Except as provided in paragraph (b) of this section, any person subject to tax under Subtitle A of the Code (including a qualified State individual income tax which is treated pursuant to section 6361(a) as if it were imposed by Chapter 1 of Subtitle A), or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax or information.

Treasury Regulations section 1.6001-1(c) Exempt organizations. In addition to 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.

Treasury Regulations section 1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law.

Treasury Regulations section 1.6033-2(i)(2) Every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of Subchapter F (section 501 and following), Chapter 1 of Subtitle

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A of the Code, section 6033, and Chapter 42 of Subtitle D of the Code. See section 6001 and § 1.6001-1 with respect to the authority of the district directors or directors of service centers to require such additional information and with respect to the books of account or records to be kept by such organizations.

Revenue Ruling 58-617, 1958-2 CB 260, and determinations letters granting exemption from federal income tax to an organization described in section 501(a) of the Internal Revenue Code of 1954, to which contributions are deductible by donors in computing their taxable income in the manner and to the extent provided by section 170 of the Code, are effective only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. Failure to comply with this requirement may result in serious consequences to the organization for the reason that the ruling or determination letter holding the organization exempt may be revoked retroactively to the date of the changes affecting its exempt status, depending upon the circumstances involved, and subject to the limitations on retroactivity of revocation found in section 503 of the Code.

In Rev. Rul. 59-95, 1959-1 C.B. 627, an exempt organization 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.

In Better Bus. Bureau v. United States, 326 U.S. 279, (1945), the United States Supreme Court held that for an organization to qualify for tax exempt status, the organization must be exclusively devoted to an exempt purpose and the presence of a single nonexempt purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly exempt purposes. The court found that a substantial purpose, if not the primary purpose, of the trade organization's activities was commercial in nature and therefore not entitled to exemption under section 501(c)(3).

In Community Education Foundation v. Commissioner, T.C. Memo. 2016-223, the Tax Court held that a nonprofit educational corporation's tax-exempt status was properly revoked because it was not operated exclusively for an exempt purpose. The organization was inactive for over seven years; thus, the organization failed to meaningfully organize or allocate resources to any of the activities mentioned in its application for exemption. Therefore, the organization did not engage in any activity that accomplished one or more of the exempt purposes under Code Sec. 501(c)(3).

Government's Position

Based on the above information, revocation is warranted. has failed to comply with IRC 6001 and 6033 and, thus, has not established that it is observing the conditions required for the continuation of exempt status.

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has not filed the required Form since its last filing for tax year ending
has not responded to Letter 2694C requesting completion of Schedule or Form
has not responded to several Information Document Requests nor the Pre-Summons
Delinquency Notices.

Failure to Provide Records:

In accordance with the above cited provisions of the Internal Revenue Code and Treasury 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 return (and 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.

The organization was sent information document requests and failed to submit any requested information or documents. The organization did not provide bank statements, cancelled checks, invoices, receipts and other documentation that was sufficient to:

- determine the sources and type of income.
- determine the purpose of the expenses.
- determine the organization's assets and liabilities.

Taxpayer's Position

Taxpayer has not provided a written position.

Conclusion:

Your organization is similar to the organization in Rev. Rul. 59-95, 1959-1 C.B. 627. You have not complied with the requests for examination and as such you have not established that you are observing the conditions required for the continuation of exempt status.

Per court cases cited above, the organization bears the burden of proving that it is entitled to exemption. has failed to furnish information to demonstrate it meets the operational test as required in section 501(c)(3) of the Code and the Regulations. failed to establish that it continues to qualify for exemption under Section 501(c)(3) of the Internal Revenue Code

Accordingly, it is proposed that the Organization's exempt status be revoked effective . Should this revocation be upheld, Form , U.S. Corporation Income Tax, should be filed beginning tax years ending and thereafter.

If you agree to this conclusion, please sign the attached Forms.

If you disagree, please submit a statement of your position and explanation.