



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

Date: August 30, 2022

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Number: 202306012
Release Date: 2/10/2023

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 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). You did not engage in any activity that accomplished one or more exempt purposes under IRC Section 501(c)(3). As such, you failed to meet the requirement of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a).

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.

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. 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.

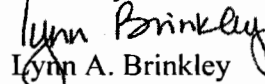
Find tax forms or publications by visiting www.irs.gov/forms or calling 800-TAX-FORM (800-829-3676).

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,



Lynn A. Brinkley

Acting Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892



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

Date: April 11, 2022

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Manager's contact information:

Name:

ID number:

Telephone:

Fax:

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,

Lynn A. Brinkley
Acting Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Form 6018
Form 4621-A
Publication 892
Publication 3498

Form 886-A	Department of the Treasury - Internal Revenue Service	Schedule number or exhibit
Explanation of Items		
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 (IRC)?

FACTS:

filed the Form requesting exemption under IRC Section 501(c)(3) on . was granted tax-exempt status on , under IRC Section 501(c)(3). filed for the year ending , on . Organization filed Form for the year ending , on . filed all required returns since receiving exempt status and there are no delinquent returns outstanding.

conducted its operations out of a residence in , . According to its Articles of Incorporation dated , the purposes of the organization are as follows:

The purpose for which the corporation is organized is to minister, support, and supply those in need in . The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Per the bylaws of the , no date or signature indicated, Article II - Purpose states:

The purposes for which this corporation has been organized are as stated in the Certificate of Incorporation, which may be amended as required.

The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

mission is to minister, support, and supply those in need of .

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The originally filed Form _____ for the year ending _____, shows no description for the organization's exempt activities. Information in the case file provided documentation from the organization's website, _____. The website contains the following statements pertaining to its charitable activities:

What We Do

_____ simply raises funds to support other charities. Our main causes are:

How We Do It

We buy _____ and other assets that can be appraised with cash and charitable tax deductions, sell these assets to buyers who want to own them, then we take the net proceeds and give to the charities that are important to the sellers, the buyers, or both.

How we help Charities

_____ helps charities work with people that believe in and support their causes. The supporters that are involved in _____ and/or other assets as sellers, buyers, and/or professionals can support the causes they believe in with their transactions, and we work with all parties to help them use this strategy.

Information needed to get buyers the best price

Please Contact Us & Answer These Questions

1. What is the address or description of the asset?
2. What is the price of the asset?
3. What is the price that works best for you?
4. What is your time frame for DD and/or Closing?

Thank you for sharing this information, we will only use it to put together an

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The organization stated that it conducted almost no activities to help these causes and/or conducted no exempt activities for the year ending _____, or in any other tax year.

The following information was received by the Internal Revenue Service (Service) from the organization in response to the information document request and various email inquiries. The related information and/or correspondence is contained in the administrative record.

- This organization () was formed to help charities with their fund-raising needs, however, to date we have performed almost no activities to help these causes, the attached records will support this claim. Our intentions are to help other charities with their fund-raising needs, so they can focus on their causes.
- Our intentions () are to use a certified appraiser to value the _____, then give the sellers this certified appraisal as the amount of charitable tax deductions.
- Our only intentions () were to raise funds for charities, we have not engaged in any other activities.
- Our intentions () for _____ transactions were and are to offer sellers charitable tax deductions for their properties based on certified appraised values, then sell these properties quickly at below market prices, and give the net proceeds to charities, ideally charities that the sellers want to support.
- _____ exempt activities are undocumented. Meeting minutes with a date, time and dialogue were not provided nor recorded.
- Organization's bank account was funded by President, _____ on _____, in the amount of \$ _____. No public contributions were received by the organization.
- On _____, \$ _____ was given to an individual that needed money.
- On _____, the organization received \$ _____ for pandemic relief. President, _____ stated that the deposit was from the pandemic, he received a call that said () qualified for the \$ _____ due to the pandemic, he believed that this call was directly from the _____.
- On _____, \$ _____ was given to an individual that needed money.
- On _____, President completed a transfer of \$ _____ to an individual to help _____ that were abandoned by their father a few days prior. The money was used to purchase _____.
- Requested information pertaining to the issuance of charitable contribution receipts for donors, the organization stated that none were ever issued.
- Requested information regarding charitable work that members had done on behalf of the organization, the organization stated that almost none were performed.
- Requested information regarding _____ or other assets that were purchased or sold, the organization stated that it never engaged in any _____ and/or appraisal transactions.

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LAW:

IRC Section 501(c)(3) exempts from Federal income tax corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

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

IRC Section 6033(a)(1) provides, except as provided in IRC 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. The Secretary may also prescribe by forms or regulations the requirement of every organization to 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.

Treas. Reg. Section 1.501(c)(3)-1(a) of the Income Tax Regulations (Treas. Reg.) provides that in order to be exempt as an organization described in IRC 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.

Treas. Reg. 1.501(c)(3)-1(c)(1) provides 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 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.

Treas. Reg. 1.501(c)(3)-1(c)(2) provides that the operational test is not satisfied where any part of the organization's earnings inures to the benefit of private shareholders or individuals, and where the organization serves a private rather than a public interest.

Treas. Reg. 1.501(c)(3)-1(d)(1)(ii) provides that an organization is not organized or operated exclusively for one or more of the purposes specified in IRC 501(c)(3) unless it services a public rather than a private interest.

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Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

Treas. Reg. Section 1.6001-1(c) states that 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. See Section 6033 and Section 1.6033-1 through -3.

Treas. Reg. 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 Service officers or employees and shall be retained as long as the contents thereof may be material in the administration of any Internal Revenue law.

TAXPAYER'S POSITION:

The taxpayer has agreed to the proposed revocation.

GOVERNMENT'S POSITION:

has failed to provide documentation to meet the operational test for an IRC Section 501(c)(3) organization for the tax year ending . In order to meet the operational test, must show that their primary activities accomplish one or more of such exempt purposes specified in IRC Section 501(c)(3). The Service determined that hasn't met the operational test and revocation of exempt status is proposed.

As evidence of their failure to operate for exempt purposes, it was determined that conducted little to no activities that were consistent with IRC Section 501(c)(3). also did not provide significant substantiation for activities that are consistent with an IRC Section 501(c)(3) exempt purpose.

During the initial interview the President indicated that since they were granted exemption in that no exempt activities were performed. In tax year ending , the President transferred \$ on separate occasions to help an individual that needed money. However, these donations that were made in lacked documentation, such as meeting minutes, to substantiate that the donations the organization made to specified individuals had an actual charitable purpose. The only revenue that the organization received was \$ for pandemic relief in . In tax year ending , the President also transferred money to an individual to purchase for ; however, the organization is still not performing exempt activities which are required for an IRC Section 501(c)(3) organization to keep their tax-exempt status. Accordingly, we are proposing revocation because they do not operate for exempt purposes.

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has failed to provide records as is required in IRC Section 6033(a)(1) and Treas. Reg. Section 1.6033-1(h)(2). They failed to provide operational information that is required to retain exemption as an IRC Section 501(c)(3) organization.

The Service could not verify that operated according to their exempt purpose due to the lack of documentation that was received from the organization.

In accordance with the above cited provisions of the Code and Regulations under IRC Section 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 (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.

CONCLUSION:

By not complying with the Code and Regulations, has jeopardized its exempt status. They have also failed to provide required documentation, thereby failing to be compliant with the Code, and failing to show substantial evidence of exempt activities. is not operating for exempt purposes.

As a result of the examination, the Service has determined that is not operating for exempt purposes as an IRC Section 501(c)(3) organization. They have not provided any information to the Service substantiating for exempt activities. Since failed to operate primarily for exempt purposes, their tax-exempt status is revoked effective

Since will no longer have tax-exempt status beginning , they are liable for filing Form , U.S. Corporation Income Tax Return, as of