



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

Date:
June 13, 2023
Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Last day to file petition with United States
Tax Court:

Number: 202336026
Release Date: 9/8/2023

UIL; 501.03-00

CERTIFIED MAIL - Return Receipt Requested

Dear :

Why we are sending you this letter

This is a final determination explaining why your organization doesn't qualify as an organization described in Internal Revenue Code (IRC) Section 501(c)(4) for the tax periods above.

In the future, if you believe your organization qualifies for tax-exempt status and would like a determination letter from the Internal Revenue Service, you can request a determination by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), or Form 1024-A, Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code, (as applicable) and paying the required user fee.

Our adverse determination as to your exempt status was made for the following reasons: You did not respond to our requests for information regarding your purpose and activities. You have not established that you are operated exclusively for the promotion of social welfare and other non-profitable purposes and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes under IRC Section 501(a) as described in IRC Section 501(c)(4).

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 [IRS.gov](https://www.irs.gov).

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 can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- The United States District Court for the District of Columbia

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

United States Tax Court
400 Second Street, NW
Washington, DC 20217
ustaxcourt.gov

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439
uscfc.uscourts.gov

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
dcd.uscourts.gov

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:

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.

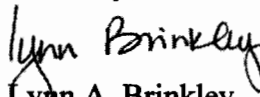
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892



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

Date:
09/14/2022
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:
Name:
ID number:
Telephone:
Fax:
Address:

CERTIFIED MAIL – Return Receipt Requested

Manager's contact information:
Name:
ID number:
Telephone:
Response due date:

Dear :

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that your organization doesn't qualify as an organization described in Internal Revenue Code (IRC) Section 501(c)(4).

This letter is not a determination of your tax-exempt status under IRC Section 501 for any period other than the tax periods above.

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)(4) 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.

In the future, if you believe your organization qualifies for tax-exempt status and would like a status determination letter from the IRS, you can request a determination by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), and paying the required user fee.

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.

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,

Christopher M. Holmes

Digitally signed by Christopher M. Holmes
Date: 2022.09.13 16:30:46 -07'00'

for Lynn A. Brinkley

Acting Director, Exempt Organizations Examinations

Enclosures:

Form 4621-A

Form 886-A

Form 6018

Publication 892

Publication 3498

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

ISSUES:

Whether _____ qualifies to be exempt under section 501(c)(4) of the Internal Revenue Code ("IRC").

FACTS:

Background

("the _____") was incorporated in the state of _____ by _____ on _____. The one-page article of incorporation states:

- the _____ name is _____, a _____ Non Profit Religious Corporation,
- its specific purpose is "to provide religious education programs and to continue development of religious educations", and
- it is organized and operated exclusively for charitable purpose within the meaning of IRC section 501(c)(3).

Per the Internal Revenue Service's ("Service") records, no Form 1023, *Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*, has been filed for the _____.

Beginning with the _____ fiscal year, ending _____, the _____ began submitting _____ and selected that it was exempt under IRC section 501(c)(4).

Per the Service's records, no Form 8976, *Notice of Intent to Operate Under Section 501(c)(4)*, notifying the Service of its intent to operate as a section 501(c)(4) organization has been filed by the University.

The filed _____ information: _____ listed the University's name as _____ and stated the following

Tax Year	Tax Period	Principal Officer's Name	Principal Officer's Address

Form 886-A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule number or exhibit
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Examination

An information document request (“IDR”) was sent to the _____ by the initial examining revenue agent on _____. No response was received from the _____ and a delinquency notice was sent on _____. Additionally, the _____ was notified of the Service’s intent to make third party contacts in a letter sent on _____.

The subsequent examining revenue agent (“agent”) attempted to locate the _____ officers, for the present and prior exam years, and was able to locate _____, the primary officer listed on the _____. A third-party summons for _____ testimony and available records was hand delivered to his last known personal residence on _____.

Interview

On _____, an individual answering to the name of _____ presented himself to the agent at the Service office located in _____. Upon examining his identification, the agent determined that this was not _____ but an acquaintance. The interview was rescheduled to the following day. _____ presented himself on _____, for an interview and to provide available documents. Key points taken from the interview were:

- changes to the _____ accreditation authority caused a rush in the creation of post-secondary schools,
- _____ stated he had incorporated the _____ and multiple other organizations with the state of _____ at the behest of individuals that he declined to name,
- he was asked to help due to his familiarity with the school accreditation process,
- he was involved in the filing of the _____,
- the _____ address was owned by an associate of _____, who allowed him to use various suite numbers for mailing purposes based on vacancy,
- the _____ address was a mailbox set up by _____ to handle the dissolution of the _____,
- the _____ address is a residential rental property owned by _____, and
- the _____ had never been active.

_____ stated that he was a consultant and not involved in the day-to-day operations for the _____. When asked to list any of the other board members or provide the name of the individual who enlisted his services, _____ stated he did not remember or declined to answer.

Bank Activity

On _____, a business checking account was opened at _____ using the _____ name and tax identification number. When questioned, _____ stated that:

- he had opened the account, and
- only he had access to the account and use of the account’s debit card.

Monthly bank statements from the exam period showed the following transactions:

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

DATE	DESCRIPTION	AMOUNT
	Account opened by	\$
	Cash deposit	\$
	Cash deposit	\$
	Check# - Pay to the order of	\$
	Card Purchase -	\$
	Foreign Exchange Fee	\$
	Card Purchase -	\$
	Card Purchase -	\$
	Card Purchase -	\$
	Ending Balance at FYE	\$

During the interview, the agent requested additional information on the source of the cash deposits, the nature of the expenditures, and how the ending balance at the fiscal year end of _____, was spent by the _____ stated that the deposits were donations, some of which were returned to the donor; the expenditures were meals and gifts to donor; and he speculated that the remaining funds were used to dissolve the school. No additional documentation was received by the agent to support _____ statements.

LAW:

IRC section 501(c)(4)(A) exempts from Federal income tax civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, education, or recreational purposes.

Section 1.501(c)(4)-1(a)(2)(i) of the Federal Tax Regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one which is operated primarily for the purpose of bringing about civic betterments and social improvements.

TAXPAYER'S POSITION:

The _____ position is unknown at this time; however, the _____ had dissolved with the state of _____ as of _____

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

GOVERNMENT'S POSITION:

It is the government's position that the _____ has failed to meet the requirements to be exempt under IRC section 501(c)(4). The articles of incorporation and the interview indicates that the _____ was not created for the exclusive promotion of social welfare. Additionally, there was no evidence that the _____ engaged in any activity that supported its exempt purpose.

CONCLUSION:

Based upon the facts and circumstances, _____ has failed to meet the requirements for an organization exempt under IRC Section 501(c)(4). The government proposes that the _____ be disqualified for the tax period ending _____.