



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

Date:
06/22/2023
Taxpayer ID number (last 4 digits):

Form:

Release Number: 202346032
Release Date: 11/17/2023
UIL Code: 501.03-00

Tax periods ended:

Person to contact:

Name:
ID number:
Telephone:
Fax:

Last day to file petition with United States
Tax Court:
09/20/2023

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)(3) for the tax periods above.

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 both organized and operated exclusively for exempt purposes. You have not demonstrated that you are operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3). In addition, your organization fails to qualify as a _____ within the meaning of IRC Sections 509(a)(1) and 170(b)(1)(A)(i) of the IRC. See attached Form 886-A, Explanation of Items for details.

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).

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 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.

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:

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.

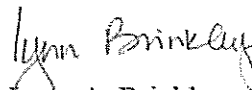
Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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:

Form 886-A Explanation of Items

Publication 1

Publication 594

Publication 892

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ISSUE:

- Whether () fails to qualify as a within the meaning of sections 509(a)(1) and 170(b)(1)(A)(i) of the Internal Revenue Code (“IRC”).
- Whether fails the operational test within the meaning of section 1.501(c)(3)-1(c)(1) of the Treasury Regulations (“TR”) for not operating exclusively for an exempt purpose

FACTS:

State and Federal Filings:

is currently exempt from Federal income tax under IRC section 501(a) as an organization described under IRC section 501(c)(3) is further described as a under IRC sections 509(a)(1) and 170(b)(1)(A)(i) and is therefore not a

filed articles of incorporation with the State of on , and is currently registered as a Corporation, Non-profit Corporation Law exclusively for purposes.

filed the Statement of Information with State of on , is in active status.

Name of officers and title:

, Chief Executive Officer

, Chief Executive Office Officer

, Secretary

did not filed Form 1023, *Application for Recognition of Exemption*, with the Internal Revenue Service (IRS).

Articles of Incorporation:

Article II of B, states the purpose to be "...a

Article III states the name of initial agent is and address is , ,

Article V states that is the incorporator.

Bylaws:

's Bylaws provided the following:

1.2 Characteristics of

(hereafter referred to as " ") was formed by

other, , and (see 13 Appendix I-II): . Each

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has in the past acquired (personnel) and local money (finance) for local ministry (operation). The () envisions its missions in developing and .

1.3 The 's basic organization consists of: The Board of , - Board, the Board of Directors and all Departments.

Following Area Counsel's approval of the Notice of Church Tax Examination (NCTE), responded to questions below on the document named "Descriptions of and Activities the IRS Seeks to Examine" which was attached to Letter , dated , 1. Items requested and the responses provided (shown in italics) are shown below.

A. Records to determine whether your activities continue to meet the operational test ('s responses are shown in italics) :

1. Detailed explanation of why you claim to be inactive and yet maintain an active status with the State of

As we mentioned in previous response and our phone conversation on , has been involved in a since and the case is till pending . Because of the , the operation of became inactive. Also, because of the , must keep its cooperation status active in (not suspended or forfeited) so tha can defend its .

2. Copies of minutes of meetings of governing body, including committees meeting minutes and reports from , through ,

3. Electronic promotional items such as Videos, CD ROMs, Radio/Television Ads, Facebook, Instagram, Twitter, etc. (sample information and format you used to reach potential participants for your activities and events)

4. Pamphlets, brochures, magazines, newsletters, and other published materials

B. Financial records to verify that they match your operations:

1. If you use QuickBooks, Quicken, Sage 50, or Peachtree, please provide:

- a. A backup file that includes the period from , through ,
– The backup file should include any changes to the data entered after year-end.

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b. The administrator's username and password for the backup file requested in item 1.a above. (Please note that you may temporarily change the administrator's password before copying/creating the electronic backup file for the IRS in response to this IDR; then you may change the password back to your original one.)

There is _____ bank account for _____. The statements for _____ through _____ are attached. There was _____, _____, and _____ (except the account fees charged by _____ Bank).

c. Software name and version

2. If you use electronic software that is different from the ones stated in item 1 above, please provide the following records in Excel format:

- a. General Ledger for the year _____ with all details
- b. Trial Balance as of _____
- c. Bank and investment account reconciliations as of _____

3. Copies of all bank, investment, credit card, debit card and other online payment processing statements for _____ through _____

There is _____ bank account for _____. The statements for _____ through _____ are attached. There was _____, _____, and _____ (except the account fees charged by _____ Bank).

4. Copy of depreciation schedule as of _____ with asset descriptions, acquisition dates, and acquisition values

5. Copies of cancelled checks, receipts or other supporting documents for the payment related to the _____ filing with _____ Secretary of State

_____, _____ filing was done and paid by _____. _____ does not have cancelled check or receipt. Attached please find the email receipt provided by _____

Activities:

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_____ has had no operational activities since _____. Prior to _____, _____ had been established was to provide _____ and _____ provided _____ for _____ who needed help with documents _____, conducted _____, and _____.

Revenue:

_____ maintains a checking account but there is no revenue received in the audit tax year _____.

Expenses:

During the review of _____'s bank statements, it was observed that the only expense was the monthly bank charge of \$ _____ from _____'s _____ checking account. This monthly fee reduced the beginning balance of \$ _____ to \$ _____ by the end of the year. There was no other operating expense incurred by _____.

Summary of Total Income and Expenses / Disbursements:

Calendar Year Summary	
Revenue	\$ 0
Deposits	0
Total Income	0
Expense	
Bank Fee	
Total Expense	

LAW:

Private Foundation Status:

IRC Section 170(b)(1)(A)(i) describes a church or a convention or association of churches.

IRC Section 509(a)(1) generally provides that the term "private foundation" means a domestic or foreign organization described in section 501(c)(3) other than an organization described in section 170(b)(1)(A).

The Church of Eternal Life and Liberty, Inc. v. Commissioner of Internal Revenue, 86 T.C. 916, states that to qualify as a church an organization must serve an associational role in accomplishing its religious purposes. In the present case petitioner fails this threshold test. Petitioner has had only two members since its formation in 1976. While incipient churches may have only "two or three gathered together," a church's membership will grow well beyond those small numbers given the vitality of its associational role. Petitioner, by contrast, seems to have intentionally pursued a policy that discouraged membership for reasons, we believe, that served the private purposes of its founder. Although petitioner generally held bi-monthly meetings, the record is void of evidence of the nature or conduct of these meetings other than listings in petitioner's newsletter of topics for certain meetings, generally involving discussion of libertarian, economic or social issues. The record fails to establish that petitioner serves any associational role for purposes of worship. Therefore, we hold that petitioner is not a church within the meaning of section 508(c)(1)(A).

American Guidance Foundation, Inc. v. U.S., 490 F. Supp. 304 (D.D.C. 1980) states that at a minimum, a church includes a body of believers or communicants that assembles regularly in order to worship. Unless

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the organization is reasonably available to the public in its conduct of worship, its educational instruction, and its promulgation of doctrine, it cannot fulfill this associational role. Plaintiff fails to satisfy the standard. Mr. Seyfried and his wife pray together in the physical solitude of their home. They do not constitute a "congregation" within the ordinary meaning of the word. AGF has made no real effort to convert others or to extend its membership beyond the immediate Seyfried family. Its telephonic religious message hardly qualifies as dissemination of a creed or doctrine. Its "religious instruction" consists of a father preaching to his son. Its "organized ministry" is a single self-appointed clergyman. Its "conduct of religious worship" does not extend beyond the family dwelling, which is used primarily for non-religious purposes. Rather than ministering to a society of believers, plaintiff is engaged in a quintessentially private religious enterprise. See also, *Foundation of Human Understanding*, 88 Fed. Cl. 203.

De La Salle Institute v. United States, 195 F. Supp. 891 stated that a "church" for purposes of the statute must be interpreted in the light of the common understanding of the word. An organization established to carry out "church" functions, under the general understanding of the term, is a "church" Where a church held as a fundamental part of its creed that the duty of a church was to teach Christian principles by example, by operating businesses in everyday life, the United States Court of Appeals for the Ninth Circuit held that this creed could not be controlling for tax exemption purposes (*Riker v. Commissioner*, 9 Cir., 244 F.2d 220).

Spiritual Outreach Society v. Commissioner, 927 F.2d 335 (8th Cir. 1991) (SOS) stated that religious organization appealed decision of the Tax Court, Theodore Tannenwald, Jr., J., denying its claim for status as "church" under Internal Revenue Code. The Court of Appeals, Henley, Senior Circuit Judge, held that Tax Court was justified in concluding that organization did not qualify as church despite fact that it was engaged in sincere religious activity. The tax court ruled against SOS because it found that SOS failed to fulfill an associational requirement and certain factual requirements which are discussed more fully below. We agree with the tax court that SOS fails to satisfy the factual requirements. Therefore, we do not reach the associational requirement issue. Deciding what constitutes a church for federal tax purposes is not an easy task. There is very little guidance for courts to use in making decisions. While federal tax authorities must apply the word church in a variety of contexts, there is no ready definition. It is generally accepted that Congress intended a more restricted definition for a "church" than for a "religious organization," but probably because of first amendment considerations it has provided virtually no guidance on this distinction. *Church of the Visible Intelligence That Governs the Universe v. United States*, 4 Cl.Ct. 55 (1983) (citations omitted). In an apparent attempt to fill this void, the Internal Revenue Service has announced fourteen criteria which it uses as factual requirements for an organization to constitute a church for federal tax purposes. In a speech, former Commissioner Jerome Kurtz announced fourteen criteria which the Internal Revenue Service uses as a framework for its decisions. The criteria are as follows: (1) a distinct legal existence; (2) a recognized creed and form of worship; (3) a definite and distinct ecclesiastical government; (4) a formal code of doctrine and discipline; (5) a distinct religious history; (6) a membership not associated with any other church or denomination; (7) an organization of ordained ministers; (8) ordained ministers selected after completing prescribed studies; (9) a literature of its own; (10) established places of worship; (11) regular congregations; (12) regular religious services; (13) Sunday schools for religious instruction of the young; and (14) schools for the preparation of its ministers.

Exemption:

IRC Section 501(a) generally provides that an organization described in subsection (c) or (d) shall be exempt from taxation under this subtitle unless such exemption is denied under section 502 or 503.

IRC Section 501(c)(3) generally includes corporations organized and operated exclusively for purposes that include religious, educational or charitable purposes, and which no part of the net earnings inures to the benefit of any private shareholder or individual.

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TR section 1.501(a)-1(c) generally provides that

The words private shareholder or individual in section 501 refer to persons having a personal and private interest in the activities of the organization.

TR section 1.501(c)(3)-1(a)(1) generally provides 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.

TR section 1.501(c)(3)-1(c)(1) generally 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 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.

TR section 1.501(c)(3)-1(c)(2) generally provides that.

An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. For the definition of the words private shareholder or individual, see paragraph (c) of § 1.501(a)-1.

TR section 1.501(c)(3)-1(d)(ii) generally provides that

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.

TR section 1.501(c)(3)-1(f)(2) generally provides that

- (i) In general. Regardless of whether a particular transaction is subject to excise taxes under section 4958, the substantive requirements for tax exemption under section 501(c)(3) still apply to an applicable tax-exempt organization (as defined in section 4958(e) and § 53.4958-2) described in section 501(c)(3) whose disqualified persons or organization managers are subject to excise taxes under section 4958. Accordingly, an organization will no longer meet the requirements for tax-exempt status under section 501(c)(3) if the organization fails to satisfy the requirements of paragraph (b), (c) or (d) of this section. See § 53.4958-8(a).
- (ii) Determination of whether revocation of tax-exempt status is appropriate when section 4958 excise taxes also apply. In determining whether to continue to recognize the tax-exempt status of an applicable tax-exempt organization (as defined in section 4958(e) and § 53.4958-2) described in section 501(c)(3) that engages in one or more excess benefit transactions (as defined in section 4958(c) and § 53.4958-4) that violate the prohibition on inurement under section 501(c)(3), the Commissioner will consider all relevant facts and circumstances, including, but not limited to, the following—
 - (A) The size and scope of the organization's regular and ongoing activities that further exempt purposes before and after the excess benefit transaction or transactions occurred;
 - (B) The size and scope of the excess benefit transaction or transactions (collectively, if more than one) in relation to the size and scope of the organization's regular and ongoing activities that further exempt purposes;

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- (C) Whether the organization has been involved in multiple excess benefit transactions with one or more persons;
 - (D) Whether the organization has implemented safeguards that are reasonably calculated to prevent excess benefit transactions; and
 - (E) Whether the excess benefit transaction has been corrected (within the meaning of section 4958(f)(6) and § 53.4958-7), or the organization has made good faith efforts to seek correction from the disqualified person(s) who benefited from the excess benefit transaction.
- (iii) All factors will be considered in combination with each other. Depending on the particular situation, the Commissioner may assign greater or lesser weight to some factors than to others. The factors listed in paragraphs (f)(2)(ii)(D) and (E) of this section will weigh more heavily in favor of continuing to recognize exemption where the organization discovers the excess benefit transaction or transactions and takes action before the Commissioner discovers the excess benefit transaction or transactions. Further, with respect to the factor listed in paragraph (f)(2)(ii)(E) of this section, correction after the excess benefit transaction or transactions are discovered by the Commissioner, by itself, is never a sufficient basis for continuing to recognize exemption.

Unitary Mission Church v Commissioner, 74 T.C. 507, petitioner is not entitled to exemption from Federal taxation under secs. 501(a) and 501(c)(3), because a part of its net earnings inured to the benefit of private shareholders or individuals

Universal Church of Jesus Christ, Inc v Commissioner, T.C. Memo 1988-65, the court decided that petitioner Church was operated for other than exempt purposes, it is not an organization described in section 501(c)(3) and not exempt from taxation.

Bubbling Well Church of Universal Love, Inc. v. Commissioner, 670 F.2d 104, the court affirmed the decision of the tax court. The court found that appellant church failed to show that no part of its net income inured to the benefit of private individuals, where a family was the sole employees and sole voting directors of appellant.

People of God Community v. United States, 505, F.2d 1068 (6th Cir. 1974), the court stated, that paying over a portion of gross earnings to those vested with the control of a charitable organization constitutes private inurement. All in all, taking a slice off the top should be no less prohibited than a slice out of net. What is prohibited is inurement "to the benefit of any private shareholder or individual." Sec. 501(c)(3); sec. 1.501(c)(3)-1(c)(2), Income Tax Regs. The term "private shareholder or individual" refers to persons who have a personal and private interest in the payor organization. Sec. 1.501(a)-1(c), Income Tax Regs. In other words, section 501(c)(3) denies exempt status to an organization whose founders or controlling members have a personal stake in that organization's receipts. Such is the case here, where petitioner's ministers, completely control its affairs. Petitioner therefore fails to qualify for exemption under section 501(c)(3).

TAXPAYERS POSITION:

has not provided a position.

GOVERNMENTS POSITION:

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There are 2 separate issues that the Government will address here in turn. The first issue is whether _____ qualifies as a _____ within the meaning IRC sections 509(a)(1) and 170(b)(1)(A)(i); the second issue is whether _____ fails the operational test within the meaning of TR section 1.501(c)(3)-1(c)(1); and third issue is whether disbursements to disqualified persons are an excess benefit transaction within the meaning of IRC section 4958.

Issue 1: Whether _____ fails to qualify as a _____ within the meaning of IRC sections 509(a)(1) and 170(b)(1)(A)(i).

There is no evidence that a _____ exists. Therefore, _____ does not qualify as a _____ under IRC sections 509(a)(1) and 170(b)(1)(A)(i).

_____ is exempt from federal income tax under IRC section 501(a) as an organization described under section 501(c)(3). _____ is also described as a _____ under section 170(b)(1)(A)(i) of the Code and is therefore not a _____ and it is not required to file Form 1023 and none was filed.

The IRC does not define the term " _____ " for federal tax purposes. Rather, the courts have historically applied 14 characteristics, formulated by the IRS, to be used only as a *guide* to ascertain whether an organization qualifies as a _____ under section 170(b)(1)(A)(i) of the Code. See *De La Salle Institute v. United States*. The 14 characteristics are un-weighted, none of which having any controlling factor

In applying the 14 characteristics, _____ responses from our letter dated _____, noting is that _____ provided responses that were generally inconsistent with _____ exemption status. Below are responses and their general alignment with the 14 characteristics

1. A distinct legal existence:

_____ is organized as a _____, non-profit corporation.

2. A recognized creed and form of worship:

_____ : In response, _____ stated "as of _____"

3. A definite and distinct ecclesiastical government:

_____ : In response, _____ stated "as of _____"

4. A formal code of doctrine and discipline:

_____ : In response, _____ stated "as of _____"

5. A distinct religious history:

_____ : In its Bylaws 1.1 Founding of The _____, The _____ has established local _____ in the _____ from _____ to _____. They are _____ in _____ (_____), _____ (_____), _____ (_____), and _____ (_____)

6. A membership not associated with any church or denomination:

_____ . (No members in _____)

7. An organization of ordained ministers:

_____ : In response _____ stated "as of _____"

8. Ordained ministers selected after completing prescribed studies:

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- : In response, stated "as of "
9. A literature of its own:
: In response, stated "as of "
10. Established places of worship:
: In response, stated "as of "
11. Regular congregations:
: In response, stated "as of "
12. Regular religious services:
: In response, stated "as of "
13. Sunday schools for the religious instruction of the young:
o: In response, stated "as of "
14. Schools for the preparation of its ministers:
: In response, stated "as of "

Overall, does not allgn itself with the 14 characteristics. Based on these characteristics, would not qualify as a within the meaning of sections 509(a)(1) and 170(b)(1)(A)(i) of the Code.

Congregation and the Associational Test:

In considering the concept of a "congregation," the fact that a is small does not necessarily preclude it from receiving recognition. A determining factor, however, is whether the organization is attempting to attract new members or, in some cases, whether the organization prevents new memberships. In *Church of Eternal Life and Liberty, Inc.* as well as in *American Guidance Foundation*, a determining factor for the courts was that the size did not increase and neither organization made attempts to attract new members. The concept also implies that the membership, whatever the size, has some religious bond and some element of continuity. Usually, in addition to individual practices, members participate in mutual ceremonies, observances, and celebrations important to their particular religion. In *Spiritual Outreach Society v. Commissioner*, this element was found lacking where there was no evidence that participants considered themselves part of a congregation.

To qualify as a church, "an organization must serve an associational role in accomplishing its religious purpose. . . . While incipient churches may have only 'two or three gathered together,' a church's membership will grow well beyond those small numbers given the vitality of its associational role." *Church of Eternal Life and Liberty, Inc.* The associational test is a "threshold" standard which religious organizations must satisfy to obtain church status. In creating the associational standard, the United States District Court for the District of Columbia stated that demonstrating associational aspects is the "minimum" requirement necessary for a religious organization to gain church status. These "associational" aspects were stated to include, a body of believers or communicants that assembles regularly in order to worship. Unless the organization is reasonably available to the public in its conduct of worship, its educational instruction, and its promulgation of doctrine, it cannot fulfill this associational role. *American Guidance Foundation*, 490 F. Supp. at 306.

There are several similarities has with *American Guidance Foundation, Inc.* (AGF) which are illustrated in the following table:

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AGF	
Mr. Seyfried and his wife pray together in the physical solitude of their home. They do not constitute a "congregation" within the ordinary meaning of the word.	
AGF has made no real effort to convert others or to extend its membership beyond the immediate Seyfried family.	
Its telephonic religious message hardly qualifies as dissemination of a creed or doctrine. Its "religious instruction" consists of a father preaching to his son.	
Its "organized ministry" is a single, self-appointed clergyman.	
Its "conduct of religious worship" does not extend beyond the family dwelling, which is used primarily for non-religious purposes. Rather than ministering to a society of believers, plaintiff is engaged in a quintessentially private religious enterprise.	

, as AGF, fails to satisfy the organizational test. has no operational activities in the audit year and has ceased to operate since . does not actively disseminate or reasonably make available, its , its and its or its overall to the public. In addition, does not actively attempt to make new members. Finally, does not perform , and such as , and

Therefore, for these reasons, does not qualify as a within the meaning of IRC sections 509(a)(1) and 170(b)(1)(A)(i)

Issue 2: Exemption: Whether fails the operational test:

failed to satisfy the operational test because it did not operate exclusively for exempt purposes. IRC section 501(c)(3) generally describes organizations that are exempt from Federal income tax under section 501(a). These organizations include corporations that are organized and operated exclusively for purposes that include religious, educational or charitable purposes; and which no part of its net earnings inure to the benefit of any private shareholder or individual.

TR 1.501(a)-1(c) generally defines a private shareholder or individual as one having a personal and private interest in the activities of the organization.

as , appears to maintain active with Secretary of States for the purpose of . However, there were no active operations in . There were no donations and no expenses (except the account fees charged by Bank).

TR 1.501(c)(3)-1(a)(1) generally provides that an organization described under IRC section 501(c)(3) must be both organized and operated exclusively for one or more of the purposes specified, which includes religious, educational or charitable purposes. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c)(1) of the Regulations generally provides that an organization will be regarded as operated for one or more exempt purposes only if it engages primarily in activities which accomplish one or

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more exempt purposes specified in section 501(c)(3) which includes religious, educational or charitable purposes. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

TR 1.501(c)(3)-1(c)(2) generally provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

TR 1.501(c)(3)-1(d)(ii) generally provides that an organization is not organized or operated exclusively for one or more of the exempt purposes specified, 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.

receives revenue from any members in the form of and . During an interview, stated that it has been "non functioning and without any activities since " therefore it has zero activities in .

IRS observation:

has not provided any documentation that will demonstrate activities are conducted does not have a formal, written that it adheres to. does not have a distinct or any other governing body, does not have a formal code of doctrine and discipline. does not produce or distribute any literature, such as bulletins, newsletters, calendar of events to its members. does not have established a place does not have . does not advertise its services or actively seek new members.

Based on these facts, has not demonstrated that it conducts ongoing activities that further its exempt purpose as a church described under section 170(b)(1)(A)(i) of the Code or any exempt purpose described under section 501(c)(3) of the Code.

Overall does not receive any and gross receipts that would demonstrate that revenues were in fact paid in furtherance of its exempt purpose as a described under section 170(b)(1)(A)(i) of the Code or any exempt purpose described under section 501(c)(3) of the Code.

Based on these facts, did not operate as a .

CONCLUSIONS:

1. fails to qualify as a within the meaning of IRC sections 509(a)(1) and 170(b)(1)(A)(i).
2. status should be revoked because it fails the operational test within the meaning of TR section 1.501(c)(3)-1(c)(1).