



Department of the Treasury Internal
Revenue Service
Tax Exempt and Government Entities
Box 2508
Cincinnati, OH 4520

Date:
09/06/2023
Employer ID number:

Form you must file:
1120

Tax years:
All

Person to contact:

Release Number:202348011
Release Date: 12/1/2023
UIL Code: 501.03-00,
501.03-30

Dear :

This letter is our 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). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:

Letter 437

Redacted Letter 4034

Redacted Letter 4038



Department of the Treasury
Internal Revenue Service
PO Box 2508
Cincinnati, OH 45201

Date: 06/07/2023

Employer ID number:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Legend:

B =Date

C =Individual

D = Individual

E = Individual

F = Location

G = Name

H = Name

J = Name

K = Heritage

M = State

UIL:

501.03-00

501.03-30

Dear :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

Facts

You submitted Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

You attest that you were formed on B in M. You attest that you have the necessary organizing document, that your organizing document limits your purposes to one or more exempt purposes within the meaning of the IRC Section 501(c)(3), that your organizing document does not expressly empower you to engage in activities, other than an insubstantial part, that are not in furtherance of one or more exempt purposes, and that your organizing document contains the dissolution provision required under Section 501(c)(3).

You attest that you are organized and operated exclusively to further charitable purposes. You attest that you have not conducted and will not conduct prohibited activities under IRC Section 501(c)(3). Specifically, you attest you will:

- Refrain from supporting or opposing candidates in political campaigns in any way
- Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially
- Not be organized or operated for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s)
- Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a Section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in Section 501(h)
- Not provide commercial-type insurance as a substantial part of your activities

You conduct a social bi-annual family reunion for descendants of C, D, and E from F. You discuss your family heritage and educate members about the rich history of your family in G.

Detailed information was subsequently requested. Your bylaws were not officially adopted and don't limit your activities and assets to an exempt purpose under IRC 501(c)(3). Your mission statement is to educate each of your family members about your ancestors and instill family pride and fellowship with one another. The criteria to become a board member of your organization is they must be descendants of the G, H, and J families and be current in their membership dues. Only family members who are current in their membership dues can participate in voting.

You conduct a family history presentation that consists of family historical information and storytelling of your K style. You spend time updating your family tree to include newly discovered family members. You have a _____ in honor and remembrance of members who have passed away. You have a meet and greet function, business meeting, banquet, and _____ gathering.

Law

IRC Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable, or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

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

Treas. Reg. Section 1.501(c)(3)-1(b)(4) provides 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, for example, if, upon dissolution, such assets would, by reason of a provision in the organization's articles or operation of law, be distributed for one or more exempt purposes.

Treas. Reg. Sec 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. Section 1.501(c)(3)-1(d)(1)(ii) provides that an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest. To meet this requirement, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests.

Treas. Reg. Section 1.501(c)(3)-1(d)(1)(iii), Example 1, provides an illustration of when an organization serves a private interest, rather than a public interest:

(i) O is an educational organization the purpose of which is to study history and immigration. O's educational activities include sponsoring lectures and publishing a journal. The focus of O's historical studies is the genealogy of one family, tracing the descent of its present members. O actively solicits for membership only individuals who are members of that one family. O's research is directed toward publishing a history of that family that will document the pedigrees of family members. A major objective of O's research is to identify and locate living descendants of that family to enable those descendants to become acquainted with each other.

(ii) O's educational activities primarily serve the private interests of members of a single family rather than a public interest. Therefore, O is operated for the benefit of private interests in violation of the restriction on private benefit in paragraph (d)(1)(ii) of this section. Based on these facts and circumstances, O is not operated exclusively for exempt purposes and, therefore, is not described in Section 501(c)(3).

Rev. Rul. 80-301, 1980-2 C.B.180, describes an organization that had a membership open to all persons in a particular geographic area and provided instruction in genealogical research techniques. The organization qualified for exemption under IRC Section 501(c)(3) as an educational organization.

Rev. Rul. 80-302, 1980-2 C.B. 182, describes an organization formed to locate, acquire, restore and preserve all available genealogical records of a particular family. Membership was limited to lineal or legal descendants. The organization did not qualify for exemption under IRC Section 501(c)(3) because the activities served the private interests of its members. The organization was formed primarily for members of a particular family who focus in on their own genealogy with limited public orientation.

The Callaway Family Association, Inc., v. Commissioner, 71 T.C. 340 (1978), held that a family association formed as a nonprofit organization to study immigration to and migration within the United States by focusing on its own family history and genealogy does not qualify for exemption under IRC Section 501(c)(3). The association's activities included researching the genealogy of its members for the ultimate purpose of publishing

a family history. The court stated that the association's family genealogical activities were not insubstantial and were not in furtherance of an exempt purpose. Rather, they served the private interests of the members.

In Benjamin Price Genealogical Association v. I.R.S., 79-1 U.S.T.C. P9361 (D.D.C. 1979), the Court held that an organization formed to disseminate information on, and to preserve documents relating to, the genealogy of Benjamin Price did not qualify for exemption under IRC Section 501(c)(3) because it was created and operated primarily for the benefit of the private interests of its members rather than exclusively for educational purposes.

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy a claim for exemption regardless of the number or importance of truly exempt purposes.

Application of law

You are not described in IRC Section 501(c)(3) because you don't meet the organizational and operational tests outlined in Treas. Reg. Section 1.501(c)(3)-1(a)(1).

You do not meet the organizational test as explained in Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) and 1.501(c)(3)-1(b)(4). Your organizing document (Bylaws) do not limit your purposes to one or more exempt purposes and dedicate your assets to an exempt purpose.

You do not meet the operational test because you are not operated "exclusively" for exempt purposes as required by Treas. Reg. Section 1.501(c)(3)-1(c)(1). Your family reunion activities are only available for members and provide a private interest rather than a general public benefit; therefore, you are not operating exclusively for an exempt purpose as required under Treas. Reg. Section 1.501(c)(3)-1(c)(1). Although some of your activities have an educational component, they serve a private interest rather a public interest.

You are very similar to Treas. Reg. Section 1.501(c)(3)-1(d)(1)(iii), Example 1, because your activities primarily serve the private interests of members of a single family rather than the interests of the public. The organization in this example focuses on the genealogy of one family, only solicited members from the members of that one family, and only published a history of that one family. Similarly, your educational presentations are only focused on the history of the G, H, and J families. You only provide members with updates to the family tree of the G, H, and J families. Your members must be a descendant of C, D, or E. Lastly, you have provided no evidence your family history presentations and storytelling are focused on anything other than the G, H, and J family history.

Unlike the organization described in Rev. Rul. 80-301, your membership and activities are limited to the members of a particular family. You are similar to the organization described in Rev. Rul. 80-302 because your activities are focused on a particular family, membership is limited to descendants of C, D, and E, thus you are serving the private interests of the members of a particular family who are focused on their own family history.

Similar to the organizations described in The Callaway Family Association, Inc., and Benjamin Price Genealogical Association, you are not exempt because you are formed for the benefit of members of a particular family. You are only focused on the history and genealogy of the G, H, and J family. Any information you disseminate among your members is focused on the members of this particular family. Therefore, you are operated to benefit the private interests of your family members, your literature is not exclusively educational, and thus, you do not qualify for exemption under IRC Section 501(c)(3).

As described in Better Business Bureau of Washington, D.C., Inc., you do not qualify for exemption under Section 501(c)(3) because your non-exempt activities are substantial in nature.

Conclusion

You do not qualify for exemption under IRC Section 501(c)(3) because you fail the organizational and operational tests. You are not organized exclusively for an exempt purpose because your organizing document (Bylaws) does not limit your purposes to one or more exempt purposes and dedicate your assets to an exempt purpose. You are not operating exclusively for an exempt purpose because your activities provide a private interest rather than a public interest and are substantial in nature.

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization:

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get 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 listed at the top of this letter.

Contacting the Taxpayer Advocate Service

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 if 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.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements