



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

Date:
12/18/2025
Employer ID number:

Form you must file:

Person to contact:

Release Number: 202611010
Release Date: 3/13/26
UIL Code: 501.03-00, 501.33-00, 501.35-00

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
Letter 4038



Department of the Treasury
Internal Revenue Service

Date:
10/29/2025
Employer ID number:

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

Legend:

B = Date
C = State
D = School
E = City, State
x percent = percentage
y percent = percentage

UIL:

501.03-00
501.33-00
501.35-00

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, Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code.

You attest that you were organized as an unincorporated association on B, in the State of C. 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 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

Your Form 1023-EZ indicates you raise funds to arrange high school reunions and other events, provide scholarship opportunities for family of deceased former class members, and educate class members about your funding needs.

During review of your Form 1023-EZ, detailed information was requested supplemental to the above attestations.

You registered with the State of C as a charitable organization on B. You provided a copy of your bylaws. The bylaws did not show proof of adoption, including a specific date as to when it was adopted or the signatures of more than one officers or directors. You attest your organizing document was amended to include an adequate purpose and dissolution clause as required for exemption under IRC Section 501(c)(3).

You are a membership organization open to graduates of the Class of _____ of D, located in E. Your events are open to these graduates and their family members, but only graduates may join your organization.

You arrange annual class reunions for the purposes of promoting the wellbeing of your members and celebrating the lives and memories of deceased classmates. You also intend on raising money for scholarships of family members of classmates who have expired. You may also provide other financial assistance to your members but provided no details as to the process of providing this assistance.

Only the family members of deceased members of the Class of _____ are eligible to receive your scholarships. In the future, you may also generate another scholarship for the general study body at D.

You state you have no intention of inviting members from past, current, or future D graduate classes to join your organization, although they may attend your events. You have no formal relationship with D. You act in your own interest and capacity to promote memories from your class and conduct activities honoring deceased class members. However, you do reserve the right to establish an official partnership with D in the future.

Your estimated resources spent on these activities are x percent, with the remaining y percent spent on fundraising activities, such as soliciting donations for your scholarships through social media. Any fees you charge to attend your events will be determined by their related costs to ensure you are able to meet your expenses.

Law

IRC Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for charitable, educational, or other enumerated 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) provides that in order to qualify for exemption, an organization must be both organized and operated exclusively for one or more exempt purposes. If an organization fails to meet either of the above tests, the organization will not qualify for exemption.

Treas. Reg. Section 1.501(c)(3)-1(b)(6) states a determination by the Commissioner that an organization is described in IRC Section 501(c)(3) and exempt under IRC Section 501(a) will not be granted after July 26, 1959, unless such organization meets the organizational test prescribed by Treas. Reg. Section 1.501(c)(3)-1(b)(1).

Treas. Reg. Section 1.501(c)(3)-1(c)(1) states that an organization will be regarded as “operated exclusively” for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in 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. “Exclusivity” with respect to IRC Section 501(c)(3) does not mean “solely” or “only” but rather “primarily” for exemption purposes.

Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii) provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves the 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 interest.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) states that the term “charitable” in IRC Section 501(c)(3) includes relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; lessening of the burdens of government; and promotion of social welfare by organizations designed to accomplish any of the above purposes.

Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) provides that the term “educational,” as used in IRC Section 501(c)(3), relates to the instruction or training of individuals for the purpose of improving or developing their capabilities, or the instruction of the public on subjects useful to the individual and beneficial to the community.

Revenue Ruling 54-486, 1956-2 C.B. 309, holds that an alumni association, formed by university officials, and incorporated for the purpose of fostering fraternity among the university’s former students to promote the general welfare of the university was exempt under IRC Section 501(c)(3). The association, subject to the control of the university, published a periodical officially sponsored by the university and operated as an integral part of it by performing duties which ordinarily fell within the operations of the university. The university provided and controlled the funds by which these activities were accomplished by the university.

In Rev. Rul. 56-403, 1956-2 C.B. 307, an organization was formed to foster intellectual excellence by awarding scholarships, open to members of all chapters of a designated fraternity, based on merit, character, and service. In addition, the organization published literary papers and encouraged useful citizenship and amicable relationships between individuals, student groups, and others, to promote and encourage religious, moral, civic, and social responsibility, and made contributions to exempt organizations in these fields and otherwise. The

organization qualified as educational under IRC Section 501(c)(3) due to the totality of its activities and the fact that the scholarships were awarded without any specific designation of persons eligible for scholarships. The purposes of the organization were not so personal, private, or selfish in nature as to lack the element of public benefit required for exemption under Section 501(c)(3).

Rev. Rul. 60-143, 1960-1 C.B. 192, holds that an alumni association formed to promote the interests and general welfare of its affiliated university was exempt under IRC Section 501(c)(3). The university furnished office space and funding in exchange for recordkeeping services. It also raised funds for the university's building programs, scholarships, and a student aid and loan fund, as well as published an alumni magazine. Relying upon, in part, the ruling set forth in Rev. Rul. 54-486, its social and recreational activities were ruled as merely incidental to its basic purpose and objective of advancing the interests of the university and, therefore, was exempt under Section 501(c)(3).

Rev. Rul. 61-170, 1961-1 C.B. 112, holds that an association composed of professional private duty nurses and practical nurses which supported and operated a nurses' registry primarily to afford greater employment opportunities for its members, operated like a commercial employment agency for the benefit of its members and was not entitled to exemption under IRC Section 501(c)(3). Although the public received some incidental benefit from the organization's activities, such as a registry listing available nursing services, the primary interests served were those of the organization's members, who contributed the principal income to the organization in the form of membership dues, fees, and assessments.

Rev. Rul. 67-367, 1967-2 C.B. 188, holds an organization whose sole activity was the operation of a scholarship plan for making payments to pre-selected, specifically named individuals did not qualify for exemption under IRC Section 501(c)(3) because it was serving the private interests of its subscribers rather than public charitable and educational interests.

Rev. Rul. 80-302, 1980-2 C.B. 182, describes an organization's primary activity as the compilation and preservation of genealogical data of a particular family. Membership was limited to lineal or legal descendants. This data was recorded and documented and held for the use of its members, and copies were made available for a fee to any interested individuals. The organization did not qualify for exemption under IRC Section 501(c)(3) because the activities served the private interests of its members by focusing on the genealogy of a particular family with very limited public orientation.

Revenue Procedure 2025-5, 2025-1 I.R.B. 260, states copies of the organizing or enabling document shall be signed by a principal officer, or two members in the case of an unincorporated association, or accompanied by a written declaration signed by an authorized individual certifying that the document is a complete and accurate copy of the original or otherwise satisfies the requirements of a "conformed copy," as outlined in Rev. Proc. 68-14, 1968-1 C.B. 768.

Application of law

IRC Section 501(c)(3) and Treas. Reg. Section 1.501(c)(3)-1(a)(1) set forth two main tests for an organization to be recognized as exempt. An organization must meet both the organizational test and the operational test exclusively for purposes described in Section 501(c)(3). Based on the information provided in your application and supporting documentation, you have not shown you meet either test as described below.

Per Treas. Reg. Section 1.501(c)(3)-1(b)(6), you do not satisfy the organizational test because you failed to provide a copy of your organizing document with the required signatures as described in Revenue Procedure 2025-5. Although you attested your organizing document was amended to meet the organizational test, you did not provide a conformed copy of it. Neither your registration as a charitable organization with the State of B, nor your undated and unsigned bylaws, satisfy the organizational test under IRC Section 501(c)(3).

You do not meet the operational test because you have failed to show you are operating exclusively for exempt purposes as required under Treas. Reg. Section 1.501(c)(3)-1(c)(1). Your two primary activities are as follows:

- (i) arranging class reunions and other events for your limited membership
- (ii) fundraising to provide scholarships for the family members of deceased graduates

Neither of these activities were shown by you to exclusively further exempt purposes under IRC Section 501(c)(3). Even though you stated your events are open to other graduating classes of D, you primarily operate to arrange annual class reunions for the social enjoyment of your limited membership. You may also intend to operate a future scholarship open to the general study body at D, but you primarily fundraise to provide scholarships for the family members of deceased graduates of your high school class. Contrary to the provisions of Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii), these activities serve your private interests, not the public interest.

Like the organization in Rev. Rul. 61-170, which was denied exemption because it served the private interests of its members by operating a fee-based commercial employment agency, you are furthering private interests by fundraising and collecting fees to arrange class reunions so your members may socialize and reminisce, as well as honor deceased classmates and provide their families with scholarships. You are also similar to the organization denied exemption in Rev. Rul. 80-302 for operating a genealogical database for members of a particular family. You also operate to provide members of a particular graduating class with activities and information primarily relevant to them, even though other graduating classes of D may also attend your events. Accordingly, you have not shown any charitable or educational components that predominate here.

As described in Treas. Reg. Section 1.501(c)(3)-1(d)(2), you have not shown how your activities advance science, education, or religion, nor how your activities lessen the burdens of government, promote social welfare, or provide relief to the poor and distressed and underprivileged. Instead, your fundraising is primarily directed at arranging class reunions for the social enjoyment and comradery of your members and providing scholarships to deceased class members' families, which do not further exempt purposes under IRC Section 501(c)(3). You have not demonstrated that your members or scholarship recipients are poor, distressed, or underprivileged, nor have you described in detail how annual class reunions and designated scholarships for specific family members of deceased classmates promotes social welfare to a substantial degree which qualifies you for exemption under Section 501(c)(3), such as combatting community deterioration or defending human and civil rights secured by law as described in Treas. Reg. Section 1.501(c)(3)-1(d)(2).

You have also not shown how your activities further educational purposes as described in Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i). Your activities do not include any instruction or training of individuals or the public on subjects useful to the individual and beneficial to the community, and your scholarships are awarded in too narrow of a manner without charitable intent to show a substantial benefit to the community.

Similar to the organization in Rev. Rul. 67-367, which was denied exemption for operating a scholarship plan for pre-selected individuals, you also operate a scholarship where designated beneficiaries are pre-selected

based upon the deaths of graduating class members. Further, unlike the organization in Rev. Rul. 56-403, where its pool of scholarship candidates was broad enough to further the public interest under IRC Section 501(c)(3), your scholarship is awarded to family members of deceased classmates, making it too personal and private in its criteria to fulfill the element of public benefit required for exemption under IRC Section 501(c)(3).

Finally, you are unlike the alumni associations in Rev. Rul. 54-486 and Rev. Rul. 60-143, which were held exempt for promoting the interests and general welfare of their affiliated universities through educational activities. In contrast to these organizations, you do not have an official affiliation or relationship with D, and D does not provide you with any resources, such as office space or funding, to conduct any activities on its behalf. You act in your own capacity to serve the private interests of your members through fundraising to conduct social activities and provide scholarships for deceased graduates' family members. You do not conduct other activities, such as publishing an alumni magazine or periodicals sponsored by D or raise funds for D's buildings.

Conclusion

You do not qualify for federal tax exemption under IRC Section 501(c)(3) because your activities are not operated exclusively for exempt purposes. Fundraising to arrange class reunions and other events for your limited membership and provide scholarships for the family members of deceased graduates serve private interests and do not further any exempt purposes under Section 501(c)(3). Therefore, you are not exempt, and contributions to you are not tax deductible.

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