



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

Date:
12/15/2025
Employer ID number:

Form you must file:

Person to contact:

Release Number: 202611015
Release Date: 3/13/26
UIL Code: 501.03-00, 501.03-30, 501.33-00

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:
10/24/2025
Employer ID number:

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

Legend:

B = Date
C = State
D = Individuals
E = Individual
F = County

UIL:
501.03-00
501.03-30
501.33-00

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

You attest that you were incorporated 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 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

Your Form 1023-EZ indicates your mission is to foster a spirit of unity, strength, and love amongst the descendants of D.

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

You are dedicated to honoring the legacy of D and E of F, by planning, fundraising, and supporting various activities and events to preserve your family's heritage, support future generations, and strengthen your bonds. Your specific activities include:

- Annual family reunion for descendants of D and E
- Annual family picnic to foster community and connection
- Cemetery restoration and preservation of cemeteries for the descendants of D and E
- Scholarship program for high school graduates pursuing college
- Back-to-school supply drive for descendants of D and E
- Monthly board meetings to coordinate planning and initiatives

Your family picnic takes place in . Your family reunion takes place in and includes the back-to-school drive and scholarship recognition. Your cemetery restoration takes place multiple times a year. You also conduct genealogical and historical research, as well as hold board meetings at your president's residence.

Participants in your activities include descendants of D and E, their extended family and friends, local vendors, and community partners. All your activities take place in C. All your time and resources are devoted to these activities.

Your revenues include registration fees for your family reunion, matching donations from family members, and contributions from your executive committee. Your financial information also includes funds from a 50/50 raffle held at one of your family reunions. Expenses were related to conducting your social and recreational activities, such as food expenses. You did not show any expenses related to the payment of any scholarships.

Law

IRC Section 501(c)(3) provides for the recognition of exemption from federal income tax those organizations that are organized and operated exclusively for charitable, religious, or other exempt purposes, as specified in the statute, provided that no part of the net earnings 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 does not qualify for exemption.

Treas. Reg. Section 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 the public rather than a private interest. The organization must 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.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) defines the term “charitable” as including the relief of the poor and distressed or of the underprivileged, and the promotion of social welfare by organizations designed to lessen neighborhood tensions, to eliminate prejudice and discrimination, to defend human and civil rights secured by law, or to combat community deterioration. The term “charitable” also includes the advancement of religion, education, or science.

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.

Rev. Rul. 69-175, 1969-1 C.B. 149, describes an organization created to provide bus transportation for school children to a tax-exempt private school. The organization was formed by the parents of pupils attending the school and provided transportation to and from the school for those children whose parents belonged to the organization. Parents were required to pay an initial family fee and an additional annual charge for each child. The Service determined that “when a group of individuals associate to provide a cooperative service for themselves, they are serving a private interest.” The organization enabled the parents to fulfill their individual responsibilities to transport their children to school, thus serving their private interests and precluding exemption under IRC Section 501(c)(3).

In Harding Hospital, Inc. v. United States, 505 F.2d 1068, 1071 (6th Cir. 1974), the Court held that an organization has the burden of proving that it satisfies the requirements of the particular statute under which the organization is requesting exemption. The court noted that whether an organization has satisfied the operational test is a question of fact.

In Callaway Family Association, Inc. v. Commissioner of Internal Revenue, 71 T.C. 340 (1978), the Tax Court held that an organization whose activities focused on the historical studies of the genealogy of their family was not exempt under IRC Section 501(c)(3). Although the organization conducted some “educational” activities, as the term is used in Section 501(c)(3), such as lectures, workshops, and publishing a journal, taken as a whole, those activities were not “exclusively” dedicated to exempt purposes, but rather served the private interests of the family members.

In Spanish American Cultural Association of Bergenfield v. Commissioner, T.C. Memo 1994-510 (1994), an organization was created to foster the cultural heritage of the local Spanish-American residents. Except for charitable donations and scholarships, along with an educational presentation designed to introduce Spanish-American culture to the local community, the organization primarily engaged in social activities designed to provide Spanish-American residents with a sense of community. It was granted exempt status under IRC Section 501(c)(4) but then applied for exempt status as a charitable organization described in IRC Section 501(c)(3). The organization did not qualify under Section 501(c)(3) because its social activities were more than insubstantial in comparison to its charitable activities.

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).

You have failed to show how you meet the operational test under IRC Section 501(c)(3) because you are not operating exclusively for exempt purposes as required under Treas. Reg. Section 1.501(c)(3)-1(c)(1). Preserving the heritage of the descendants of D and E primarily serves the private interests of your family, not the public interest, as required for exemption under Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii).

Participation in your activities is not open to the general public; therefore, your activities are primarily conducted for the descendants of D and E. Your annual family reunions and picnics are primarily for their social and recreational benefit. Your back-to-school drive conducted at your family reunion is also to benefit these descendants. Your genealogical and historical research focuses exclusively on these descendants, and your cemetery restoration focuses exclusively on preserving the familial lineage of these descendants. Finally, you did not provide details on your scholarship program, but scholarship recognition occurs at your family reunion.

As stated in Harding Hospital, Inc., you have the burden of proving whether you meet the requirements of the statute under which you requested exemption. Accordingly, you have failed to show how your activities exclusively further exempt purposes under IRC Section 501(c)(3). Instead, you have shown your activities are designed to further the private interests of the descendants of D and E, which does not further the public interest as required for exemption under Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii).

Additionally, you have failed to show how your activities exclusively further charitable purposes, as described in Treas. Reg. Section 1.501(c)(3)-1(d)(2). You have not established that the descendants of D and E are poor, distressed, or underprivileged, nor have you shown how you promote the social welfare by combatting community deterioration, lessening neighborhood tensions, or defending human and civil rights secured by law. You also have not shown how you exclusively further the advancement of religion, science, or education.

Per Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i), educational purposes provide instruction or training useful for the individual or beneficial to the community. Your activities are largely social and recreational and designed to foster a spirit of unity, strength, and love amongst the descendants of D and E, which does not provide useful instruction or training to individuals or the community. Although the descendants of D and E may be a large group of people, the community benefit doctrine is not based on size and requires the public interest be served for any group to be considered a community under IRC Section 501(c)(3). Your activities primarily serve the private interests of the descendants of D and E, which is not a community for the purposes of exemption under Section 501(c)(3). Therefore, you have failed to show how you exclusively further educational purposes.

You are like the organization in Rev. Rul. 69-175, where a group of parents was denied exemption under IRC Section 501(c)(3) for acting in their own private interests through the operation of a cooperative service for their children. Similarly, you are also acting in your own private interests to provide a cooperative service for your family's descendants. Much like the cooperative bus service was formed by the parents to fulfill their individual responsibilities of transporting their children to and from school, you also formed to cooperatively fulfill your individual responsibilities of preserving and strengthening your own family lineage through family reunions, annual picnics, and genealogical and historical preservation. Therefore, you have not shown how your activities primarily further the public interest, precluding you from exemption under Section 501(c)(3).

You are like the organization denied exemption under IRC Section 501(c)(3) in Callaway Family Association, Inc., because you also serve private interests by conducting genealogical and historical research solely for the descendants of D and E. Much like this organization incidentally furthered educational purposes with lectures, workshops, and the publishing of a journal, you may also incidentally further educational purposes by preserving historical information through cemetery maintenance. However, your primary activities, e.g., family reunions, family picnics, genealogical and historical research, and cemetery preservation and restoration for the descendants of D and E, primarily serve your private interests, not the public interest, and therefore preclude exemption under Section 501(c)(3).

You are like the organization denied exemption under IRC Section 501(c)(3) in Spanish American Cultural Association of Bergenfield, because you also primarily engage in social activities designed to foster community and connection amongst the descendants of D and E. Like this organization, your social activities are primary and substantial, even if some of your activities may incidentally further exempt purposes. For instance, your scholarships may further exempt purposes, even though you did not provide any details or submit expenses related to it. Again, as stated in Harding Hospital, Inc., you have the burden of proving whether you meet the requirements for exemption. However, even if you had shown your scholarships further exempt purposes, this would remain an incidental purpose compared to the description of your total activities and financial information, which show you primarily further the private interests of the descendants of D and E as described above.

Conclusion

Based on the information you submitted, you do not qualify for exemption under IRC Section 501(c)(3), because you do not operate exclusively for exempt purposes. Your activities primarily serve the private interests of the descendants of D and E and do not exclusively further charitable or educational purposes as required under Section 501(c)(3). Therefore, you are not exempt, and donations to you are not 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