



Department of the Treasury  
Internal Revenue Service

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Release Date: 3/13/26

Date:  
12/16/2025  
Employer ID number:

Person to contact:  
Name  
ID number  
Telephone  
Fax

**Legend:**

B = Organization  
C = City  
D = Date  
E = Date  
F = Date  
G = Date  
u dollars = dollar amount  
v dollars = dollar amount  
x dollars = dollar amount  
y dollars = dollar amount

UIL:  
509.02-02

Dear \_\_\_\_\_ :

**Why you are receiving this letter**

We received your G request for approval of a set-aside under Treasury Regulation (Treas. Reg.) Section 1.509(a)-4(i)(6)(v). Based on the information furnished, your request is approved.

You are recognized as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3) and as a non-functionally integrated Type III supporting organization under IRC Section 509(a)(3).

**What you need to do**

Document your approved set-aside(s) in your records as pledges or obligations.

Pay the set-aside amounts for the specific project within 60 months after the date of the first set-aside, as required under Treas. Reg. Section 1.509(a)-4(i)(6)(v).

Take into account the amounts set aside when determining the income attributable to your set-asides when computing your distribution requirement under Treas. Reg. 1.509(a)-4(i)(5)(ii).

**Description of set-aside request**

You were formed as a supporting organization for B.

You intend to raise funds solely for the construction of a firefighting training facility for B, your supported organization, in the city of C. The total estimated cost is u dollars of which v dollars is expected to be raised from donations from the general public.

You represented that construction is expected to begin in D and be completed in E. The set-asides are construction funds in the amount of x dollars. It is anticipated that y dollars will be raised in the fiscal year ending F, and that construction will be completed and all funds disbursed by then, which is less than 60 months from the date of the initial set-aside as required by Treas. Reg. Section 1.509(a)-4(i)(6)(v)(B).

In your Form 8940, you represented that the project can be better accomplished by a set-aside rather than an immediate payment of funds because construction had not started yet, and B has requested "all funds be set aside and paid directly for construction costs" to avoid financial liability.

You submitted a statement from B, signed under penalties of perjury by its President, which approves the firefighting training facility as one that helps it accomplish its exempt purposes for benefit of the C community. Furthermore, the statement approves your determination that the project can be better accomplished by a set-aside rather than by the immediate payment of funds as required by Treas. Reg. Section 1.509(a)-4(i)(6)(v)(B).

You submitted an attestation, signed under penalties of perjury by your President, that the total amounts set aside are pledged and reserved by entry on your books as being "due and payable to or for benefit of" B and will be disbursed within 60 months of the set-aside as required by Treas. Reg. Section 1.509(a)-4(i)(6)(v)(C).

#### **Basis for our determination**

Treas. Reg. Section 1.509(a)-4(i)(6) provides that distributions by an IRC Section 509(a)(3) Type III supporting organization that count toward the distribution requirement imposed in Treas. Reg. 1.509(a)-4 (i)(5)(ii) are limited to certain categories, including set-asides described in Treas. Reg. 1.509(a)-4(i)(6)(v).

Treas. Reg. Section 1.509(a)-4(i)(6)(v) provides for any amount set aside for a specific project that accomplishes the exempt purposes of a supported organization, with such set-aside counting toward the distribution requirement for the taxable year in which the amount is set aside but not in the year in which it is actually paid, if at the time of the set-aside, the supporting organization—

- (A) Obtains a written statement from each supported organization whose exempt purposes the specific project accomplishes, signed under penalty of perjury by one of the supported organization's principal officers as defined in Treas. Reg. Section 1.509(a)-4(i)(2)(iv), stating that the supported organization approves the project as one that accomplishes one or more of the supported organization's exempt purposes and also approves the supporting organization's determination that the project is one that can be better accomplished by such a set-aside than by the immediate payment of funds;
- (B) Establishes to the satisfaction of the Commissioner, by meeting the approval and information requirements described in Treas. Reg. Section 53.4942(a)-3(b)(7)(i) and by providing the written statement described in Treas. Reg. Section 1.509(a)-4(i)(6)(v)(A), that the amount set aside will be paid for the specific project within 60 months after it is set aside and that the project is one that can better be accomplished by the set-aside than by the immediate payment of funds; and
- (C) Evidences the set-aside by the entry of a dollar amount on its books and records as a pledge or obligation

to be paid at a future date or dates within 60 months of the set-aside.

Your request meets the requirements for a set-aside described under Treas. Reg. Section 1.509(a)-4(i)(6)(v) and Treas. Reg. Section 53.4942(a)-3(b)(7)(i). Thus, your request is approved.

**Additional Information**

This determination is directed only to the organization that requested it. IRC Section 6110(k)(3) provides that it may not be used or cited as a precedent.

Visit [www.irs.gov/setasides](http://www.irs.gov/setasides) for more information.

We'll make this determination letter available for public inspection after deleting personally identifiable information, as required by IRC Section 6110. Enclosed are Letter 437, Notice of Intention to Disclose Rulings, and a copy of the letter that shows 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. Keep a copy of this letter for your records.

We have sent a copy of this letter to your representative as indicated in Form 2848, Power of Attorney and Declaration of Representative.

If you have questions, you can call the contact the person shown above.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures:  
Letter  
Letter 437