



Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption

Under Section
501(c)(3) of the
Internal Revenue Code

Contents:

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**Package 1023
(Rev. July 1993)**



Instructions for Form 1023

(Revised July 1993)

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

(Section references are to the Internal Revenue Code unless otherwise noted.)

Note: Retain a copy of the completed Form 1023 in the organization's permanent records. See **Public Inspection of Form 1023** regarding public inspection of approved applications.

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

| Form | Recordkeeping | Learning about the law or the form | Preparing, and sending the form to IRS |
|--------------------|-----------------|------------------------------------|--|
| 1023 Parts I to IV | 55 hr., 14 min. | 4 hr., 37 min. | 8 hr., 7 min. |
| 1023 Sch. A | 7 hr., 10 min. | -0 min. | 7 min. |
| 1023 Sch. B | 4 hr., 47 min. | 30 min. | 36 min. |
| 1023 Sch. C | 5 hr., 1 min. | 35 min. | 43 min. |
| 1023 Sch. D | 4 hr., 4 min. | 42 min. | 47 min. |
| 1023 Sch. E | 9 hr., 20 min. | 1 hr., 5 min. | 1 hr., 17 min. |
| 1023 Sch. F | 2 hr., 39 min. | 2 hr., 53 min. | 3 hr., 3 min. |
| 1023 Sch. G | 2 hr., 38 min. | -0 min. | 22 min. |
| 1023 Sch. H | 1 hr., 55 min. | 42 min. | 46 min. |
| 1023 Sch. I | 3 hr., 35 min. | -0 min. | 4 min. |
| 872-C | 1 hr., 26 min. | 24 min. | 26 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Reports Clearance Officer, T:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0056), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see **Where To File** below.

General Instructions

User Fee.—A user fee must be paid with determination letter requests submitted to the Internal Revenue Service. **Form 8718**, User Fee for Exempt Organization Determination Letter Request, must be submitted with this application along with the appropriate fee as stated on Form 8718. Form 8718 may be obtained through your local IRS office or by calling the telephone number given below for obtaining forms and publications.

Helpful Information.—For additional information, get **Pub. 557**, Tax-Exempt Status for Your Organization; **Pub. 578**, Tax Information for Private Foundations and Foundation Managers; and **Pub. 598**, Tax on Unrelated Business Income of Exempt Organizations. You may also call 1-800-829-4477; ask for **Topics #109** and **#110** (a push-button telephone is required). For additional forms and publications, call 1-800-829-3676.

Purpose of Form

1. Completed Form 1023 required for section 501(c)(3) exemption.—Unless it meets either of the exceptions in item 2 below, or notifies the IRS that it is applying for recognition of section 501(c)(3) exempt status, no organization formed after October 9, 1969, will be considered tax exempt under section 501(c)(3).

An organization notifies the IRS by filing a completed Form 1023. Form 1023 also solicits the information that the IRS needs to determine if the organization is a private foundation.

2. Organizations not required to file Form 1023.—The following organizations will be considered tax exempt under section 501(c)(3) even if they do not file Form 1023: **(a)** churches, their integrated auxiliaries, and conventions or associations of churches, or **(b)** any organization that is not a private foundation (as defined in section 509(a)) and that has gross receipts in each taxable year of normally not more than \$5,000.

Even if these organizations are not required to file Form 1023 to be tax-exempt, they may wish to file Form 1023 and receive a determination letter of IRS recognition of their section 501(c)(3) status to obtain certain incidental benefits such as public recognition of their tax-exempt status; exemption from certain state taxes; advance assurance to donors of deductibility of contributions; exemption from certain Federal excise taxes; nonprofit mailing privileges, etc.

3. Other organizations.—In applying for a determination letter, cooperative service organizations, described in section 501(e) and (f), and child care organizations, described in section 501(k), use Form 1023 and are treated as section 501(c)(3) organizations.

4. Group exemption letter.—Generally, Form 1023 is not used to apply for a group exemption letter. For information on how to apply for a group exemption letter, see Pub. 557.

What To File

All applicants must complete pages 1 through 9 of Form 1023. The following organizations must also complete the schedules indicated:

1. Churches—Schedule A
2. Schools—Schedule B
3. Hospitals and Medical Research—Schedule C
4. Supporting Organizations (509(a)(3))—Schedule D
5. Private Operating Foundations—Schedule E
6. Homes for the Aged or Handicapped—Schedule F
7. Child Care—Schedule G
8. Scholarship Benefits or Student Aid—Schedule H
9. Organizations that have taken over or will take over a "for profit" institution—Schedule I.
10. Organizations requesting an advance ruling in Part III, Line 11—Form 872-C.

Attachments.—State on each attachment that it relates to Form 1023 and identify the applicable part and line item number. Also show on each attachment the organization's name, address, and employer identification number (EIN). Use 8½" × 11" paper for attachments.

In addition to the required documents and statements, include with the application any additional information citing court decisions, rulings, opinions, etc., that will expedite processing of the application. Generally, attachments in the form of tape recordings are not acceptable unless accompanied by a transcript.

When To File

An organization formed after October 9, 1969, must file Form 1023 to be recognized as an organization described in section 501(c)(3). Generally, if an organization files its application within 15 months after the end of the month in which it was formed, and if the IRS approves the application, the effective date of the organization's section 501(c)(3) status will be the date it was organized.

Generally, if an organization does not file its application (Form 1023) within 15 months after the end of the month in which it was formed, it will not qualify for exempt status during the period before the date of its application. For exceptions and special rules, including automatic extensions in some cases, see Part III of Form 1023.

Where To File

File the completed application, and all information required, with the key district office for the organization's principal place of business or office as listed on page 2. As soon as possible after the complete application is received, you will be advised of the IRS's determination and of the annual returns (if any) that the organization will be required to file.

If the organization is in:

Send application and fee to:

| | |
|--|---|
| Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont | Internal Revenue Service EP/EO Division P.O. Box 1680, GPO Brooklyn, NY 11202 |
| Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, any U.S. Possession or foreign country | Internal Revenue Service EP/EO Division P.O. Box 17010 Baltimore, MD 21203 |
| Indiana, Kentucky, Michigan, Ohio, West Virginia | Internal Revenue Service EP/EO Division P.O. Box 3159 Cincinnati, OH 45201 |
| Arizona, Colorado, Kansas, New Mexico, Oklahoma, Texas, Utah, Wyoming | Internal Revenue Service EP/EO Division Mail Code 4950 DAL 1100 Commerce Street Dallas, TX 75242 |
| Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee | Internal Revenue Service EP/EO Division P.O. Box 941 Atlanta, GA 30370 |
| Alaska, California, Hawaii, Idaho, Nevada, Oregon, Washington | Internal Revenue Service EP/EO Division McCaslin Industrial Park 2 Cupania Circle Monterey Park, CA 91754-7406 |
| Illinois, Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wisconsin | Internal Revenue Service EP/EO Division 230 S. Dearborn DPN 20-5 Chicago, IL 60604 |
| U.S. Virgin Islands | Virgin Islands Bureau of Internal Revenue Lockharts Garden No. 1A Charlotte Amalie, St. Thomas, VI 00802 |

Signature Requirements

An officer, a trustee who is authorized to sign, or another person authorized by a power of attorney must sign this application. Send the power of attorney with the application when you file it. **Form 2848**, Power of Attorney and Declaration of Representative, or **Form 8821**, Tax Information Authorization, may be used for this purpose.

Deductibility of Contributions

Deductions for charitable contributions are not allowed for any gifts or bequests made to organizations that do not qualify under section 501(c)(3). The effective date of an organization's section 501(c)(3) status determines the date that contributions to it are deductible by donors. (See **When To File** on page 1.)

Public Inspection of Form 1023

IRS responsibilities.—If the application is approved, it and any supporting documents will be open to public inspection, as required by section 6104, in any key district office and in the Internal Revenue Service's National Office. In addition, any letter or other document issued by the IRS with regard to the application will be open to public inspection. However, information relating to a trade secret, patent, style of work, or apparatus that, if released, would adversely affect the organization, or any other information that would adversely affect the national defense, will not be made available for public inspection. You must identify this information by clearly marking it "NOT SUBJECT TO PUBLIC INSPECTION" and attach a statement explaining why the organization asks that the information be withheld. If the IRS agrees, the information will be withheld.

Organization's responsibilities.—The organization must make available for public inspection a copy of its approved application and supporting documents, along with any document or letter issued by the IRS. These must be available during regular business hours at the organization's principal office and at each of its regional or district offices having at least 3 paid employees. See Notice 88-120, 1988-2 C.B. 454. If any person under a duty to comply with the inspection provisions fails to comply with these requirements, a penalty of \$10 a day will be imposed for each day the failure continues.

Appeal Procedures

The organization's application will be considered by the key district office, which will either:

1. Issue a favorable determination letter;
2. Issue a proposed adverse determination letter denying the exempt status requested; or
3. Refer the case to the National Office.

If we send you a proposed adverse determination, we will advise you of your appeal rights at that time.

Language and Currency Requirements

Form 1023 and attachments must be prepared in English. If the organizational document or bylaws are in any other language, an English translation must be furnished. If the organization produces or distributes foreign language publications that are submitted with the application, you may be asked to provide English translations for one or more of them during the processing of the application.

Report all financial information in U.S. dollars (specify the conversion rate used). Combine amounts from within and outside the United States and report the total for each item on the financial statements.

For example:

| | |
|--------------------------------------|--------------|
| Gross Investment Income | |
| From U.S. sources | \$4,000 |
| From non-U.S. sources | <u>1,000</u> |
| Amount to report on income statement | \$5,000 |

Annual Information Return

If the annual information return for tax-exempt organizations becomes due while its application for recognition of exempt status is pending with the IRS (including any appeal of a proposed adverse determination), the organization should file **Form 990**, Return of Organization Exempt From Income Tax (or **Form 990-EZ**, Short Form Return of Organization Exempt From Income Tax) and **Schedule A (Form 990)**, Organization Exempt Under Section 501(c)(3), or **Form 990-PF**, Return of Private Foundation, if a private foundation, and indicate that an application is pending.

Special Rule for Canadian Colleges and Universities

A Canadian college or university that has received a **Form T2051**, Notification of Registration, from Revenue Canada (Department of National Revenue, Taxation) and whose registration has not been revoked, does not have to complete all parts of Form 1023 that would otherwise be applicable. Such an organization must complete only Part I of Form 1023 and Schedule B (Schools, Colleges, and Universities). The organization must also attach a copy of its **Form T2050**, Application for Registration, together with all the required attachments that it submitted to Revenue Canada. If any attachments were prepared in French, an English translation must be furnished.

Other Canadian organizations seeking a determination of section 501(c)(3) status must complete Form 1023 in the same manner as U.S. organizations.

Specific Instructions

The following instructions are keyed to the line items on the application form:

Part I. Identification of Applicant

Line 1. Full name and address of organization.—Enter the organization's name exactly as it appears in its creating document including amendments. If the organization will be operating under another name, show the other name in parentheses.

Line 2. Employer identification number (EIN).—All organizations must have an EIN. Enter the 9-digit EIN assigned to the organization by the IRS. If the organization does **not** have an EIN, get **Form SS-4**, Application for Employer Identification Number, for details on how to obtain an EIN immediately by telephone. If the organization has previously applied for a number, enter "applied for" and attach a statement giving the date of the application and the office where it was filed. **Do not** apply for an EIN more than once.

Line 3. Person to contact.—Enter the name and telephone number of the person to contact during business hours if more information is needed. The contact person should be an officer, director, or a person with power of attorney who is familiar with the organization's activities and is authorized to act on its behalf.

Line 4. Month the annual accounting period ends.—Enter the month the organization's annual accounting period ends. The accounting period is usually the 12-month period that is the organization's tax year. The organization's first tax year depends on the accounting period chosen (it could be less than 12 months).

Line 5. Date formed.—Enter the date the organization became a legal entity. For a corporation, this is the date that the articles of incorporation were approved by the appropriate state official. For an unincorporated organization, it is the date its constitution or articles of association were adopted.

Line 6. Activity codes.—Select up to three of the code numbers listed on the back cover that best describe or most accurately identify the organization's purposes, activities, or type of organization. Enter the codes in the order of importance.

Line 7.—Indicate if the organization is one of the following:

- 501(e) Cooperative hospital service organization;
- 501(f) Cooperative service organization of operating educational organization;
- 501(k) Organization providing child care.

If none of the above applies, make no entry on line 7.

Line 8.—Indicate if the organization has ever filed a Form 1023 or **Form 1024**, Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120, with the IRS.

Line 9.—If the organization for which this application is being filed is a private foundation, answer "NA." If the organization is not required to file Form 990 (or Form 990-EZ) and is not a private foundation, answer "No" and attach an explanation. Get the Form 990 Instructions and refer to page 2 for a discussion of organizations not required to file Form 990 (or Form 990-EZ). Otherwise, answer "Yes."

Line 10.—Indicate if the organization has ever filed Federal income tax returns as a taxable organization or filed returns as an exempt organization (e.g., Form 990, 990-EZ, 990-PF, or 990-T, Exempt Organization Business Income Tax Return).

Line 11. Type of organization and organizational documents.—Submit a conformed copy of the organizing instrument. A conformed copy is one that agrees with the original and all amendments to it. The conformed copy may be a photocopy of the original signed and dated organizing document OR it may be a copy of the organizing document that is not signed but is accompanied by a written declaration signed by an authorized individual stating that the copy is a complete and accurate copy of the original signed and dated document.

In the case of a corporation, a copy of the articles of incorporation, approved and dated by an appropriate state official, is sufficient by itself. If an unsigned copy of the articles of incorporation is submitted, it must be accompanied by the written declaration discussed above. Signed or unsigned copies of the articles of incorporation must be accompanied by a declaration stating that the original copy of the articles was filed with, and approved by, the state. The date filed must be specified.

In the case of an unincorporated association, the conformed copy of the constitution, articles of association, or other organizing document must indicate in the document itself, or in a written declaration, that the organization was formed by the adoption of the document by two or more persons.

In the case of a trust, a copy of the signed and dated trust instrument must be furnished.

For your organization to qualify for exempt status, its organizing instrument must contain a proper dissolution clause, or state law must provide for distribution of assets for one or more exempt (section 501(c)(3)) purposes upon dissolution. If you rely on state law, please cite the law and briefly state its provisions on an attachment. The organizing instrument must also specify the organizational purposes and the purposes specified must be limited to one or more of those set out in section 501(c)(3).

If the organization does not have an organizing instrument, it will not qualify for exempt status. The bylaws of an organization alone are not an organizing instrument. They are merely the internal rules and regulations of the organization.

See Pub. 557 for detailed instructions and for sample organizing instruments that satisfy the requirements of section 501(c)(3) and the related regulations.

Part II. Activities and Operational Information

Line 1.—It is important that you report all activities carried on by the organization to enable the IRS to make a proper determination of the organization's exempt status.

Line 2.—If it is anticipated that the organization's principal sources of support will increase or decrease substantially in relation to the organization's total support, attach a statement describing anticipated changes and explaining the basis for the expectation.

Line 3.—For purposes of providing the information requested on line 3, "fundraising activity" includes the solicitation of contributions and both functionally related activities and unrelated business activities. Include a description of the nature and magnitude of the activities.

Line 4a.—Furnish the mailing addresses of the organization's principal officers, directors, or trustees. Do not give the address of the organization.

Line 4b.—The annual compensation includes salary, bonus, and any other form of payment to the individual for services while employed by the organization.

Line 4c.—Public officials include anyone holding an elected position or anyone appointed to a position by an elected official.

Line 4d.—For purposes of this application, a "disqualified person" is any person who, if the applicant organization were a private foundation, is:

1. A "substantial contributor" to the foundation (defined below);
2. A foundation manager;
3. An owner of more than 20% of the total combined voting power of a corporation that is a substantial contributor to the foundation;
4. A "member of the family" of any person described in 1, 2, or 3 above;
5. A corporation, partnership, or trust in which persons described in 1, 2, 3, or 4 above, hold more than 35% of the combined voting power, the profits interest, or the beneficial interests; and
6. Any other private foundation that is effectively controlled by the same persons who control the first-mentioned private foundation or any other private foundation substantially all of whose contributions were made by the same contributors.

A substantial contributor is any person who gave a total of more than \$5,000 to the organization, and those contributions are more than 2% of all the contributions and bequests received by the organization from the date it was created up to the end of the year the contributions by the substantial contributor were received. A creator of a trust is treated as a substantial contributor regardless of the amount contributed by that person or others.

See Pub. 578 for more information on "disqualified persons."

Line 5.—If your organization controls or is controlled by another exempt organization or a taxable organization, answer "Yes." Examples of special relationships are common officers and the sharing of office space or employees.

Line 6.—If the organization conducts any financial transactions (either receiving funds or paying out funds), or nonfinancial activities with an exempt organization (other than a 501(c)(3) organization), or with a political organization, answer "Yes," and explain.

Line 7.—If the organization must report its income and expense activity to any other organization (tax-exempt or taxable entity), answer "Yes."

Line 8.—Examples of assets used to perform an exempt function are: land, building, equipment, and publications. Do not include cash or property producing investment income. If you have no assets used in performing the organization's exempt function, answer "N/A."

Line 10a.—Answer "Yes," if the organization is managed by another exempt organization, a taxable organization, or an individual.

Line 10b.—If the organization leases property from anyone or leases any of its property to anyone, answer “Yes.”

Line 11.—A membership organization for purposes of this question is an organization that is composed of individuals or organizations who:

1. Share in the common goal for which the organization was created;
2. Actively participate in achieving the organization’s purposes; and
3. Pay dues.

Line 12.—Examples of benefits, services, and products are: meals to homeless people, home for the aged, museum open to the public, and a symphony orchestra giving public performances.

Line 13.—An organization is attempting to influence legislation if it contacts or urges the public to contact members of a legislative body, or if it advocates the adoption or rejection of legislation.

If you answer “Yes,” you may want to file **Form 5768**, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation.

Line 14.—An organization is intervening in a political campaign if it promotes or opposes the candidacy or prospective candidacy of an individual for public office.

Part III. Technical Requirements

Line 1.—If you check “Yes,” proceed to line 8. If you check “No,” proceed to line 2.

Line 2a.—Do not check the box on line 2a if the organization’s principal activity is educational, literary, charitable, or of another nature (other than religious) that would serve as a basis for exemption under section 501(c)(3). See Regulations sections 1.508-1(a)(3) and 1.6033-2(g)(5).

Line 3.—Relief from the 15-month filing requirement is granted automatically if the organization submits a completed Form 1023 within 12 months from the end of the 15-month period.

Line 4.—See Rev. Proc. 92-85, 1992-42 I.R.B. 32 for information about an extension beyond the 27-month period.

Line 5.—The reasons for late filing should be specific to your particular organization and situation. Revenue Procedure 92-85 lists the factors the IRS will consider in determining if good cause exists for granting an extension of time to file the application. (Also see Pub. 557.) To address these factors, your response on line 5 should provide the following information:

1. Whether the organization consulted an attorney or accountant knowledgeable in tax matters or communicated with a responsible IRS employee (before or after the organization was created) to ascertain the organization’s Federal filing requirements and, if so, the names and occupations or titles of the persons contacted, the approximate dates, and the substance of the information obtained;
2. How and when the organization learned about the 15-month deadline for filing Form 1023;
3. Whether any significant intervening circumstances beyond the organization’s control prevented it from submitting the application timely or within a reasonable period of time after it learned of the requirement to file the application within the 15-month period; and
4. Any other information that you believe may establish good cause for not filing timely or otherwise justify granting the relief sought.

Line 7.—The organization may still be able to qualify for exemption under section 501(c)(4) for the period preceding the effective date of its exemption as a section 501(c)(3) organization. If the organization is qualified under section 501(c)(4) and page 1 of Form 1024 is filed as directed, the organization will not be liable for income tax returns as a taxable entity. Contributions to section 501(c)(4) organizations are generally not deductible by donors as charitable contributions.

Line 8.—Private foundations are subject to various requirements, restrictions, and excise taxes under Chapter 42 of the Internal Revenue Code that do not apply to public charities. Also, contributions to private foundations may receive less favorable treatment than contributions to public charities. (See Pub. 578.) Therefore, it is usually to an organization’s advantage to show that it qualifies as a public charity rather than as a private foundation if its activities or sources of support permit it to do so. Unless an

organization meets one of the exceptions below, it is a private foundation. In general, an organization is **not** a private foundation if it is:

1. A church, school, hospital, or governmental unit;
2. A medical research organization operated in conjunction with a hospital;
3. An organization operated for the benefit of a college or university that is owned or operated by a governmental unit;
4. An organization that normally receives a substantial part of its support in the form of contributions from a governmental unit or from the general public as provided in section 170(b)(1)(A)(vi);
5. An organization that normally receives not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts related to its exempt functions (subject to certain exceptions) as provided in section 509(a)(2);
6. An organization operated solely for the benefit of, and in connection with, one or more organizations described above (or for the benefit of one or more of the organizations described in section 501(c)(4), (5), or (6) of the Code and also described in 5 above), but not controlled by disqualified persons other than foundation managers, as provided in section 509(a)(3); or
7. An organization organized and operated to test for public safety as provided in section 509(a)(4).

Line 9.—Basis for private operating foundation status: (Complete this line **only** if you answered “Yes” to the question on line 8.)

A “private operating foundation” is a private foundation that spends substantially all of its adjusted net income or its minimum investment return, whichever is less, directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated. The foundation must satisfy the income test and one of the three supplemental tests: **(1)** the assets test; **(2)** the endowment test; or **(3)** the support test. (For additional information, see Pub. 578.)

Line 10.—Basis for nonprivate foundation status: Check the box that shows why your organization is not a private foundation.

Box (a). A church or convention or association of churches.

Box (b). A school.—See the definition in the instructions for Schedule B.

Box (c). A hospital or medical research organization.—See the instructions for Schedule C.

Box (d). A governmental unit.—This category includes a state, a possession of the United States, or a political subdivision of any of the foregoing, or the United States, or the District of Columbia.

Box (e). Organizations operated in connection with or solely for organizations described in (a) through (d) or (g), (h), and (i).—The organization must be organized and operated for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in section 509(a)(1) or (2). It must be operated, supervised, or controlled by or in connection with one or more of the organizations described in the instructions for boxes **(a)** through **(d)** or **(g)**, **(h)**, and **(i)**. It must not be controlled directly or indirectly by disqualified persons (other than foundation managers or organizations described in section 509(a)(1) or (2)). To show whether the organization satisfies these tests, complete Schedule D.

Box (f). An organization testing for public safety.—An organization in this category is one that tests products to determine their acceptability for use by the general public. It does not include any organization testing for the benefit of a manufacturer as an operation or control in the manufacture of its product.

Box (g). Organization for the benefit of a college or university owned or operated by a governmental unit.—The organization must be organized and operated exclusively for the benefit of a college or university that is an educational organization within the meaning of section 170(b)(1)(A)(ii) and is an agency or instrumentality of a state or political subdivision of a state; is owned or operated by a state or political subdivision of a state; or is owned or operated by an agency or instrumentality of one or more states or political subdivisions. The organization must also normally receive a substantial part of its support from the United States or any state or political subdivision of a state, or from direct or indirect contributions from the general public or from a combination of these sources. An organization

described in section 170(b)(1)(A)(iv) will be subject to the same publicly supported rules that are applicable to 170(b)(1)(A)(vi) organizations described in box (h) below.

Box (h). Organization receiving support from a governmental unit or from the general public.—The organization must receive a substantial part of its support from the United States or any state or political subdivision, or from direct or indirect contributions from the general public or from a combination of these sources. The organization may satisfy the support requirement in either of two ways. It will be treated as publicly supported if the support it normally receives from the above-described governmental units and the general public equals at least one-third of its total support. It will also be treated as publicly supported if the support it normally receives from governmental or public sources equals at least 10% of total support and the organization is set up to attract new and additional public or governmental support on a continuous basis. If the organization's governmental and public support is at least 10%, but not over one-third of its total support, the questions on lines 1 through 14 of Part II will apply to determine both the organization's claim of exemption and whether it is publicly supported. Preparers should exercise care to assure that those questions are answered in detail.

Box (i). Organization described in section 509(a)(2).—The organization must satisfy the support test under section 509(a)(2)(A) and the gross investment income test under section 509(a)(2)(B). To satisfy the support test, the organization must normally receive more than one-third of its support from: (a) gifts, grants, contributions, or membership fees, and (b) gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in an activity that is not an unrelated trade or business (subject to certain limitations discussed below). This one-third of support must be from organizations described in section 509(a)(1), governmental sources, or persons other than disqualified persons. In computing gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities in an activity that is not an unrelated trade or business, the gross receipts from any one person or from any bureau or similar agency of a governmental unit are includible only to the extent they do not exceed the greater of \$5,000 or 1% of the organization's total support. To satisfy the gross investment income test, the organization must not receive more than one-third of its support from gross investment income.

Box (j).—If you believe the organization meets the public support test of section 170(b)(1)(A)(vi) or 509(a)(2) but are uncertain as to which public support test it satisfies, check box (j). By checking this box, you are claiming that the organization is not a private foundation and are agreeing to let the IRS compute the public support of your organization and determine the correct foundation status.

Line 11.—To receive a definitive (final) ruling under sections 170(b)(1)(A)(vi) and 509(a)(1) or under section 509(a)(2), an organization must have completed a tax year consisting of at least 8 months. Organizations that checked box (h), (i), or (j) on line 10 that do not satisfy the 8-month requirement must request an advance ruling covering their first 5 tax years instead of a definitive ruling.

An organization that satisfies the 8-month requirement has two options:

1. It may request a definitive ruling. In this event, the organization's qualification under sections 170(b)(1)(A)(vi) and 509(a)(1) or under section 509(a)(2) will be based on the support that the organization has received to date; or

2. It may request an advance ruling. If the IRS issues the advance ruling, the organization's public support computation will be based on the support it receives during its first 5 tax years. An organization should consider this option if it has not received significant public support during its first tax year or during its first and second tax years, but it reasonably expects to receive such support by the end of its fifth tax year. An organization that receives an advance ruling is treated, during the 5-year advance ruling period, as a public charity (rather than a private foundation) for certain purposes, including those relating to the deductibility of contributions by the general public.

Line 12.—For definition of an unusual grant, see instructions for Part IV-A, line 12.

Line 13.—Answer this question only if you checked box (g) or (h) on line 10.

Line 14.—Answer the question on this line only if you checked box (i) on line 10 and are requesting a definitive ruling on line 11.

Line 15.—Answer "Yes" or "No" on each line. If "Yes," you must complete the appropriate schedule. Each schedule is included in this application package with accompanying instructions. For a brief definition of each type of organization, see the appropriate schedule.

Part IV. Financial Data

The Statement of Revenue and Expenses must be completed for the current year and each of the 3 years immediately before it (or the years the organization has existed, if less than 4). Any applicant that has existed for less than 1 year must give financial data for the current year and proposed budgets for the following 2 years. We may request financial data for more than 4 years if necessary. All financial information for the current year must cover the period beginning on the first day of the organization's established annual accounting period and ending on any day that is within 60 days of the date of this application. If the date of this application is less than 60 days after the first day of the current accounting period, no financial information is required for the current year. Financial information is required for the 3 preceding years regardless of the current year requirements. Please note that if no financial information is required for the current year, the preceding year's financial information can end on any day that is within 60 days of the date of this application. Prepare the statements using the method of accounting the organization uses in keeping its books and records. If the organization uses a method other than the cash receipts and disbursements method, attach a statement explaining the method used.

A. Statement of Revenue and Expenses

Line 1.—Do not include amounts received from the general public or a governmental unit for the exercise or performance of the organization's exempt functions. However, payments made by a governmental unit to enable the organization to provide a service to the general public should be included. Also, do not include unusual grants. (For an explanation of unusual grants, see **Line 12** below.)

Line 2.—Include amounts received from members for the basic purpose of providing support to the organization. Do not include payments to purchase admissions, merchandise, services, or use of facilities.

Line 3.—Include on this line the income received from dividends, interest, and payments received on securities loans, rents, and royalties.

Line 4.—Enter the organization's net income from any activities that are regularly carried on and are not related to the organization's exempt purposes. Examples of such income include fees from the commercial testing of products; income from renting office equipment or other personal property; and income from the sale of advertising in an exempt organization's periodical. See Pub. 598 for information about unrelated business income and activities.

Line 5.—Enter the amount collected by the local tax authority from the general public that has been allocated for your organization.

Line 6.—To report the value of services and/or facilities furnished by a governmental unit, use the fair market value at the time the service/facility was furnished to your organization. Do not include any other donated services or facilities in Part IV.

Line 7.—Enter the total income from all sources that is not reported on lines 1 through 6, or lines 9, 11, and 12. Attach a schedule that lists each type of revenue source and the amount derived from each.

Line 9.—Include income generated by the organization's exempt function activities (charitable, educational, etc.) and by its nontaxable fundraising events (excluding any contributions received). Examples of such income include the income derived by a symphony orchestra from the sale of tickets to its performances; and raffles, bingo, or other fundraising-event income that is not taxable as unrelated business income because the income-producing activities are not regularly carried on or because they are conducted with substantially all (at least 85%) volunteer labor.

Line 11.—Attach a schedule that shows a description of each asset, the name of the person to whom sold, and the amount received. In the case of publicly traded securities sold through a broker, the name of the purchaser is not required.

Line 12.—Unusual grants generally consist of substantial contributions and bequests from disinterested persons that:

1. Are attracted by reason of the publicly supported nature of the organization;
2. Are unusual and unexpected as to the amount; and
3. Would, by reason of their size, adversely affect the status of the organization as normally meeting the support test of section 170(b)(1)(A)(vi) or section 509(a)(2), as the case may be.

If the organization is awarded an unusual grant and the terms of the granting instrument provide that the organization will receive the funds over a period of years, the amount received by the organization each year under the grant may be excluded. See the regulations under sections 170 and 509.

Line 14.—Fundraising expenses represent the total expenses incurred in soliciting contributions, gifts, grants, etc.

Line 15.—Attach a schedule showing the name of the recipient, a brief description of the purposes or conditions of payment, and the amount paid. The following example shows the format and amount of detail required for this schedule:

| Recipient | Purpose | Amount |
|---------------------------|--------------------------|---------|
| Museum of Natural History | General operating budget | \$9,000 |
| State University | Books for needy students | 4,500 |
| Richard Roe | Educational scholarship | 2,200 |

Line 16.—Attach a schedule showing the name of each recipient, a brief description of the purposes or condition of payment, and amount paid. Do not include any amounts that are on line 15. The schedule should be similar to the schedule shown in the line 15 instructions above.

Line 17.—Attach a schedule that shows the name of the person compensated; the office or position; the average amount of time devoted to the organization's affairs per week, month, etc.; and the amount of annual compensation. The following example shows the format and amount of detail required:

| Name | Position | Time devoted | Annual salary |
|------------|-------------------------------|-----------------|---------------|
| Philip Poe | President and general manager | 16 hrs. per wk. | \$7,500 |

Line 18.—Enter the total of employees' salaries not reported on line 17.

Line 19.—Enter the total interest expense for the year, excluding mortgage interest treated as occupancy expense on line 20.

Line 20.—Enter the amount paid for the use of office space or other facilities, heat, light, power, and other utilities, outside janitorial services, mortgage interest, real estate taxes, and similar expenses.

Line 21.—If your organization records depreciation, depletion, and similar expenses, enter the total.

Line 22.—Attach a schedule listing the type and amount of each **significant** expense for which a separate line is not provided. Report other miscellaneous expenses as a single total if not substantial in amount.

B. Balance Sheet

Line 1.—Enter the total cash in checking and savings accounts, temporary cash investments (money market funds, CDs, treasury bills, or other obligations that mature in less than 1 year), change funds, and petty cash funds.

Line 2.—Enter the total accounts receivable that arose from the sale of goods and/or performance of services, less any reserve for bad debt.

Line 3.—Enter the amount of materials, goods, and supplies purchased or manufactured by the organization and held to be sold or used in some future period.

Line 4.—Attach a schedule that shows the name of the borrower, a brief description of the obligation, the rate of return on the principal indebtedness, the due date, and the amount due. The following example shows the format and amount of detail required:

| Name of borrower | Description of obligation | Rate of return | Due date | Amount |
|-----------------------|--|----------------|-----------|----------|
| Hope Soap Corporation | Debenture bond (no senior issue outstanding) | 10% | Jan. 1999 | \$ 7,500 |
| Big Spool Company | Collateral note secured by company's fleet of 20 delivery trucks | 12% | Jan. 1998 | 62,000 |

Line 5.—Attach a schedule listing the organization's corporate stock holdings. For stock of closely held corporations, the statement should show the name of the corporation, a brief summary of the corporation's capital structure, and the number of shares held and their value as carried on the organization's books. If such valuation does not reflect current fair market value, also include fair market value. For stock traded on an organized exchange or in substantial quantities over the counter, the statement should show the name of the corporation, a description of the stock and the principal exchange on which it is traded, the number of shares held, and their value as carried on the organization's books. The following example shows the format and the amount of detail required:

| Name of corporation | Capital structure (or exchange on which traded) | Shares | Book amount | Fair market value |
|--------------------------|---|--------|-------------|-------------------|
| Little Spool Corporation | 100 shares nonvoting preferred issued and outstanding, no par value; 50 shares common issued and outstanding, no par value. | | | |
| | Preferred shares: | 50 | \$20,000 | \$24,000 |
| | Common shares: | 10 | 25,000 | 30,000 |
| Flintlock Corporation | Class A common N.Y.S.E. | 20 | 3,000 | 3,500 |

Line 6.—Report each loan separately, even if more than one loan was made to the same person. Attach a schedule that shows the borrower's name, purpose of loan, repayment terms, interest rate, and original amount of loan.

Line 7.—Enter the book value of government securities held (U.S., state, or municipal). Also enter the book value of buildings and equipment held for investment purposes. Attach a schedule identifying and reporting the book value of each.

Line 8.—Enter the book value of buildings and equipment **not** held for investment. This includes plant and equipment used by the organization in conducting its exempt activities. Attach a schedule listing these assets held at the end of the current tax year/period and the cost or other basis.

Line 9.—Enter the book value of land **not** held for investment.

Line 10.—Enter the book value of each category of assets not reported on lines 1 through 9. Attach a schedule listing each.

Line 12.—Enter the total of accounts payable to suppliers and others, such as salaries payable, accrued payroll taxes, and interest payable.

Line 13.—Enter the unpaid portion of grants and contributions that the organization has made a commitment to pay other organizations or individuals.

Line 14.—Enter the total of mortgages and other notes payable outstanding at the end of the current tax year/period. Attach a schedule that shows each item separately and the lender's name, purpose of loan, repayment terms, interest rate, and original amount.

Line 15.—Enter the amount of each liability not reported on lines 12 through 14. Attach a separate schedule.

Line 17.—Under fund accounting, an organization segregates its assets, liabilities, and net assets into separate funds according to restrictions on the use of certain assets. Each fund is like a separate entity in that it has a self-balancing set of accounts showing assets, liabilities, equity (fund balance), income, and expenses. If the organization does not use fund accounting, report only the "net assets" account balances, such as: capital stock, paid-in capital, and retained earnings or accumulated income.

Procedural Checklist

Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application to your organization for resubmission with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

Have you . . .

- _____ Attached **Form 8718** (User Fee for Exempt Organization Determination Letter Request) along with the appropriate fee?
- _____ Located the correct **key district office** for the mailing of the application? (See **Where To File** on page 1.) Do **not** file the application with your local Internal Revenue Service Center.
- _____ Completed Parts I through IV and any other schedules that apply to the organization?
- _____ Shown the organization's **employer identification number**?
 - a. If your organization has one, write it in the space provided.
 - b. If this is a newly formed organization and does not have an employer identification number, obtain an EIN by telephone. (See Part I. Line 2 instructions.)
- _____ Described your organization's **specific activities** as directed in Part II, line 1 of the application?
- _____ Included a **conformed copy** of the complete organizing instrument? (See Part I, line 11 instructions.)
- _____ Had the application signed by one of the following:
 - a. An officer or trustee who is authorized to sign (e.g., president, treasurer); **or**
 - b. A person authorized by a power of attorney (submit Form 2848, 8821, or other power of attorney)?
- _____ Enclosed **financial statements** (Part IV)?
 - a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.
 - b. Detailed breakdown of revenue and expenses (no lump sums).
 - c. If the organization has been in existence less than 1 year, you must also submit proposed budgets for 2 years showing the amounts and types of receipts and expenditures anticipated.

Note: *During the technical review of a completed application by the Employee Plans/Exempt Organizations Division in the key district or by Exempt Organizations Technical Division in the National Office, it may be necessary to contact the organization for more specific or additional information.*

Do not send this checklist with the application.

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

-
- 2 What are or will be the organization's sources of financial support? List in order of size.

-
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.
-

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions, Part II, Line 4d**.) Yes No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No
If "Yes," complete the following:

a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined, and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No
If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 7.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church (see instructions);
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-42 I.R.B. 32, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "No," your organization qualifies for an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? Yes No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Part III, Line 5, before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

7 If you answer "Yes" to the question on line 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

8 Is the organization a private foundation?

- Yes** (Answer question on line 9.)
 No (Answer question on line 10 and proceed as instructed.)

9 If you answer "Yes" to the question on line 8, does the organization claim to be a private operating foundation?

- Yes** (Complete Schedule E)
 No

After answering the question on this line, go to Part IV.

10 If you answer "No" to the question on line 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|----------|---|---|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d , g , h , or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| h | <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of block h or block i . The organization would like the IRS to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

**If you checked one of the boxes a through f in question 10, go to question
15. If you checked box g in question 10, go to questions 12 and 13.
If you checked box h, i, or j, go to question 11.**

Part III Technical Requirements (Continued)

11 If you checked box **h, i, or j** on line 10, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling (Answer questions on lines 12 through 15.)
 An advance ruling (Answer questions on lines 12 and 15 and attach two Forms 872-C completed and signed.)
 No—**You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.**

12 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

13 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
a Enter 2% of line 8, column (e) of Part IV-A _____
b Attach a list showing the name and amount contributed by each person (other than a governmental unit or “publicly supported” organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line **13a** above.

14 If you are requesting a definitive ruling under section 509(a)(2), check here and:
a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each “disqualified person.” (For a definition of “disqualified person,” see **Specific Instructions, Part II, Line 4d.**)
b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a “disqualified person”) whose payments to the organization were more than \$5,000. For this purpose, “payer” includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

| 15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.) | Yes | No | If “Yes,” complete Schedule: |
|---|------------|-----------|-------------------------------------|
| Is the organization a church? | | | A |
| Is the organization, or any part of it, a school? | | | B |
| Is the organization, or any part of it, a hospital or medical research organization? | | | C |
| Is the organization a section 509(a)(3) supporting organization? | | | D |
| Is the organization a private operating foundation? | | | E |
| Is the organization, or any part of it, a home for the aged or handicapped? | | | F |
| Is the organization, or any part of it, a child care organization? | | | G |
| Does the organization provide or administer any scholarship benefits, student aid, etc.? | | | H |
| Has the organization taken over, or will it take over, the facilities of a “for profit” institution? . . . | | | I |

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

| | | Current tax year | 3 prior tax years or proposed budget for 2 years | | | |
|-----------------|--|-------------------|--|-------------|-------------|-----------|
| | | (a) From to | (b) 19..... | (c) 19..... | (d) 19..... | (e) TOTAL |
| Revenue | 1 Gifts, grants, and contributions received (not including unusual grants—see instructions). . . . | | | | | |
| | 2 Membership fees received . . . | | | | | |
| | 3 Gross investment income (see instructions for definition) . . . | | | | | |
| | 4 Net income from organization's unrelated business activities not included on line 3 | | | | | |
| | 5 Tax revenues levied for and either paid to or spent on behalf of the organization | | | | | |
| | 6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge) | | | | | |
| | 7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . | | | | | |
| | 8 Total (add lines 1 through 7) | | | | | |
| | 9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513 | | | | | |
| | 10 Total (add lines 8 and 9) . . . | | | | | |
| | 11 Gain or loss from sale of capital assets (attach schedule) . . . | | | | | |
| | 12 Unusual grants | | | | | |
| | 13 Total revenue (add lines 10 through 12) | | | | | |
| Expenses | 14 Fundraising expenses | | | | | |
| | 15 Contributions, gifts, grants, and similar amounts paid (attach schedule) | | | | | |
| | 16 Disbursements to or for benefit of members (attach schedule) | | | | | |
| | 17 Compensation of officers, directors, and trustees (attach schedule) | | | | | |
| | 18 Other salaries and wages | | | | | |
| | 19 Interest | | | | | |
| | 20 Occupancy (rent, utilities, etc.) | | | | | |
| | 21 Depreciation and depletion | | | | | |
| | 22 Other (attach schedule) | | | | | |
| | 23 Total expenses (add lines 14 through 22) | | | | | |
| | 24 Excess of revenue over expenses (line 13 minus line 23) | | | | | |

Part IV Financial Data (Continued)

| B. Balance Sheet (at the end of the period shown) | | Current tax year Date |
|--|--|--------------------------------|
| Assets | | |
| 1 | Cash | 1 |
| 2 | Accounts receivable, net | 2 |
| 3 | Inventories | 3 |
| 4 | Bonds and notes receivable (attach schedule) | 4 |
| 5 | Corporate stocks (attach schedule) | 5 |
| 6 | Mortgage loans (attach schedule) | 6 |
| 7 | Other investments (attach schedule) | 7 |
| 8 | Depreciable and depletable assets (attach schedule) | 8 |
| 9 | Land | 9 |
| 10 | Other assets (attach schedule) | 10 |
| 11 | Total assets (add lines 1 through 10) | 11 |
| Liabilities | | |
| 12 | Accounts payable | 12 |
| 13 | Contributions, gifts, grants, etc., payable | 13 |
| 14 | Mortgages and notes payable (attach schedule) | 14 |
| 15 | Other liabilities (attach schedule) | 15 |
| 16 | Total liabilities (add lines 12 through 15) | 16 |
| Fund Balances or Net Assets | | |
| 17 | Total fund balances or net assets | 17 |
| 18 | Total liabilities and fund balances or net assets (add line 16 and line 17) | 18 |

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

**Consent Fixing Period of Limitation Upon
Assessment of Tax Under Section 4940 of the
Internal Revenue Code**

(Rev. July 1993)

Department of the Treasury
Internal Revenue Service

(See instructions on reverse side.)

**To be used with
Form 1023. Submit
in duplicate.**

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

| | | | |
|--|---|---------|---|
| (Exact legal name of organization as shown in organizing document) | } | and the | District Director of Internal Revenue, or Assistant Commissioner (Employee Plans and Exempt Organizations) |
| (Number, street, city or town, state, and ZIP code) | | | |

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year
(Month, day, and year)

| | |
|--|---------|
| Name of organization (as shown in organizing document) | Date |
| Officer or trustee having authority to sign | |
| Signature ► | Title ► |

For IRS use only

| | |
|---|------|
| District Director or Assistant Commissioner (Employee Plans and Exempt Organizations) | Date |
|---|------|

By ►

You must complete this form and attach it to the application if you checked box **h**, **i**, or **j** of Part III, question 9, and the organization has not completed a tax year of at least 8 months.

For example: If the organization incorporated May 15 and its year ends December 31, it has completed a tax year of only 7½ months. Therefore, Form 872-C must be submitted.

- (a) Enter the name of the organization. This must be entered exactly as it appears in the organizing document. Do not use abbreviations unless the organizing document does.
- (b) Enter the current address.
- (c) Enter the ending date of the first tax year.

For example:

- (1) If the organization was formed on June 15 and it has chosen December 31 as its year end, enter December 31, 19
 - (2) If the organization was formed June 15 and it has chosen June 30 as its year end, enter June 30, 19 In this example, the organization's first tax year consists of only 15 days.
- (d) The form must be signed by an authorized officer or trustee, generally the president or treasurer.
 - (e) Enter the date that the form was signed.

DO NOT MAKE ANY OTHER ENTRIES.

Schedule A. Churches

1 Provide a brief history of the development of the organization, including the reasons for its formation.

2 Does the organization have a written creed or statement of faith? . . . Yes No
If "Yes," attach a copy.

3 Does the organization require prospective members to renounce other religious beliefs or their membership in other churches or religious orders to become members? . . . Yes No

4 Does the organization have a formal code of doctrine and discipline for its members? . . . Yes No
If "Yes," describe.

5 Describe the form of worship and attach a schedule of worship services.

6 Are the services open to the public? . . . Yes No
If "Yes," describe how the organization publicizes its services and explain the criteria for admittance.

7 Explain how the organization attracts new members.

8 (a) How many active members are currently enrolled in the church?

(b) What is the average attendance at the worship services?

9 In addition to worship services, what other religious services (such as baptisms, weddings, funerals, etc.) does the organization conduct?

Schedule A. Churches (Continued)

10 Does the organization have a school for the religious instruction of the young? **Yes** **No**

11 Were the current deacons, minister, and/or pastor formally ordained after a prescribed course of study? **Yes** **No**

12 Describe the organization's religious hierarchy or ecclesiastical government.

13 Does the organization have an established place of worship? **Yes** **No**

If "Yes," provide the name and address of the owner or lessor of the property and the address and a description of the facility.

If the organization has no regular place of worship, state where the services are held and how the site is selected.

14 Does (or will) the organization license or otherwise ordain ministers (or their equivalent) or issue church charters? **Yes** **No**

If "Yes," describe in detail the requirements and qualifications needed to be so licensed, ordained, or chartered.

15 Did the organization pay a fee for a church charter? **Yes** **No**

If "Yes," state the name and address of the organization to which the fee was paid, attach a copy of the charter, and describe the circumstances surrounding the chartering.

16 Show how many hours a week the minister/pastor and officers each devote to church work and the amount of compensation paid to each of them. If the minister or pastor is otherwise employed, indicate by whom employed, the nature of the employment, and the hours devoted to that employment.

Schedule A. Churches *(Continued)*

17 Will any funds or property of the organization be used by any officer, director, employee, minister, or pastor for his or her personal needs or convenience?

Yes No

If "Yes," describe the nature and circumstances of such use.

18 List any officers, directors, or trustees related by blood or marriage.

19 Give the name of anyone who has assigned income to the organization or made substantial contributions of money or other property. Specify the amounts involved.

Instructions

Although a church, its integrated auxiliaries, or a convention or association of churches is not required to file Form 1023 to be exempt from Federal income tax or to receive tax-deductible contributions, such an organization may find it advantageous to obtain recognition of exemption. In this event, you should submit information showing that your organization is a church, synagogue, association or convention of churches, religious order or religious organization that is an integral part of a church, and that it is carrying out the functions of a church.

In determining whether an admittedly religious organization is also a church, the IRS does not accept any and every assertion that such an organization is a church. Because beliefs and practices vary so widely, there is no single definition of the word "church" for tax purposes. The IRS considers the facts and circumstances of each organization applying for church status.

The IRS maintains two basic guidelines in determining that an organization meets the religious purposes test:

1. That the particular religious beliefs of the organization are truly and sincerely held, and

2. That the practices and rituals associated with the organization's religious beliefs or creed are not illegal or contrary to clearly defined public policy.

In order for the IRS to properly evaluate your organization's activities and religious purposes, it is important that all questions in this schedule be answered accurately.

The information submitted with this schedule will be a determining factor in granting the "church" status requested by your organization. In completing the schedule, consider the following points:

1. The organization's activities in furtherance of its beliefs must be exclusively religious, and

2. An organization will not qualify for exemption if it has a substantial nonexempt purpose of serving the private interests of its founder or the founder's family.

Schedule B. Schools, Colleges, and Universities

1 Does, or will, the organization normally have: **(a)** a regularly scheduled curriculum, **(b)** a regular faculty of qualified teachers, **(c)** a regularly enrolled student body, and **(d)** facilities where its educational activities are regularly carried on? Yes No
 If "No," do not complete the rest of this schedule.

2 Is the organization an instrumentality of a state or political subdivision of a state? Yes No
 If "Yes," document this in Part II and do not complete items 3 through 10 of this schedule. (See instructions for Schedule B.)

3 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to:

a Admissions? Yes No
b Use of facilities or exercise of student privileges? Yes No
c Faculty or administrative staff? Yes No
d Scholarship or loan programs? Yes No
 If "Yes" for any of the above, explain.

4 Does the organization include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students? Yes No
 Attach whatever corporate resolutions or other official statements the organization has made on this subject.

5a Has the organization made its racially nondiscriminatory policies known in a manner that brings the policies to the attention of all segments of the general community that it serves? Yes No
 If "Yes," describe how these policies have been publicized and how often relevant notices or announcements have been made. If no newspaper or broadcast media notices have been used, explain.

b If applicable, attach clippings of any relevant newspaper notices or advertising, or copies of tapes or scripts used for media broadcasts. Also attach copies of brochures and catalogues dealing with student admissions, programs, and scholarships, as well as representative copies of all written advertising used as a means of informing prospective students of the organization's programs.

6 Attach a numerical schedule showing the racial composition, as of the current academic year, and projected to the extent feasible for the next academic year, of: **(a)** the student body, and **(b)** the faculty and administrative staff.

7 Attach a list showing the amount of any scholarship and loan funds awarded to students enrolled and the racial composition of the students who have received the awards.

8a Attach a list of the organization's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b State whether any of the organizations listed in **8a** have as an objective the maintenance of segregated public or private school education, and, if so, whether any of the individuals listed in **8a** are officers or active members of such organizations.

9a Indicate the public school district and county in which the organization is located.

b Was the organization formed or substantially expanded at the time of public school desegregation in the above district or county? Yes No

10 Has the organization ever been determined by a state or Federal administrative agency or judicial body to be racially discriminatory? Yes No

If "Yes," attach a detailed explanation identifying the parties to the suit, the forum in which the case was heard, the cause of action, the holding in the case, and the citations (if any) for the case. Also describe in detail what changes in the organization's operation, if any, have occurred since then.

Instructions

A "school" is an organization that has the primary function of presenting formal instruction, normally maintains a regular faculty and curriculum, normally has a regularly enrolled student body, and has a place where its educational activities are carried on. The term generally corresponds to the definition of an "educational organization" in section 170(b)(1)(A)(ii). Thus, the term includes primary, secondary, preparatory and high schools, and colleges and universities. The term does not include organizations engaged in both educational and noneducational activities unless the latter are merely incidental to the educational activities. A school for handicapped children is included within the term, but an organization merely providing handicapped children with custodial care is not.

For purposes of this schedule, "Sunday schools" that are conducted by a church are not included in the term "schools," but separately organized schools (such as parochial schools, universities, and similar institutions) are included in the term.

A private school that otherwise meets the requirements of section 501(c)(3) as an educational institution will not qualify for exemption under section 501(a) unless it has a racially nondiscriminatory policy as to students. This policy means that the school admits students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school, and that the school does not discriminate on the basis of race in the administration of its educational policies, admissions policies, scholarship and loan programs,

and athletic or other school-administered programs. The IRS considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. A policy of a school that favors racial minority groups in admissions, facilities, programs, and financial assistance will not constitute discrimination on the basis of race when the purpose and effect is to promote the establishment and maintenance of that school's racially nondiscriminatory policy as to students. See Rev. Proc. 75-50, 1975-2 C.B. 587, for guidelines and recordkeeping requirements for determining whether private schools that are applying for recognition of exemption have racially nondiscriminatory policies as to students.

Line 2

An instrumentality of a state or political subdivision of a state may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational tests of section 501(c)(3). (See Rev. Rul. 60-384, 1960-2 C.B. 172.) Any such organization that is a school is not a private school and, therefore, is not subject to the provisions of Rev. Proc. 75-50.

Schools that incorrectly answer "Yes" to line 2 will be contacted to furnish the information called for by lines 3 through 10 in order to establish that they meet the requirements for exemption. To prevent delay in the processing of your application, be sure to answer line 2 correctly and complete lines 3 through 10, if applicable.

Schedule C. Hospitals and Medical Research Organizations

- Check here if claiming to be a hospital; complete the questions in section I of this schedule; and write "N/A" in Section II.
- Check here if claiming to be a medical research organization operated in conjunction with a hospital; complete the questions in Section II of this schedule; and write "N/A" in Section I.

Section I Hospitals

1a How many doctors are on the hospital's courtesy staff? Yes No

b Are all the doctors in the community eligible for staff privileges? Yes No
If "No," give the reasons why and explain how the courtesy staff is selected.

2a Does the hospital maintain a full-time emergency room? Yes No

b What is the hospital's policy on administering emergency services to persons without apparent means to pay?

c Does the hospital have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? Yes No
Explain.

3a Does or will the hospital require a deposit from persons covered by Medicare or Medicaid in its admission practices? Yes No
If "Yes," explain.

b Does the same deposit requirement, if any, apply to all other patients? Yes No
If "No," explain.

4 Does or will the hospital provide for a portion of its services and facilities to be used for charity patients? Yes No
Explain the policy regarding charity cases. Include data on the hospital's past experience in admitting charity patients and arrangements it may have with municipal or government agencies for absorbing the cost of such care.

5 Does or will the hospital carry on a formal program of medical training and research? Yes No
If "Yes," describe.

6 Does the hospital provide office space to physicians carrying on a medical practice? Yes No
If "Yes," attach a list setting forth the name of each physician, the amount of space provided, the annual rent, the expiration date of the current lease and whether the terms of the lease represent fair market value.

Section II Medical Research Organizations

- 1** Name the hospitals with which the organization has a relationship and describe the relationship.

- 2** Attach a schedule describing the organization's present and proposed (indicate which) medical research activities; show the nature of the activities, and the amount of money that has been or will be spent in carrying them out. (Making grants to other organizations is not direct conduct of medical research.)

- 3** Attach a statement of assets showing their fair market value and the portion of the assets directly devoted to medical research.

Additional Information

Hospitals

To be entitled to status as a "hospital," an organization must have, as its principal purpose or function, the providing of medical or hospital care or medical education or research. "Medical care" includes the treatment of any physical or mental disability or condition, the cost of which may be taken as a deduction under section 213, whether the treatment is performed on an inpatient or outpatient basis. Thus, a rehabilitation institution, outpatient clinic, or community mental health or drug treatment center may be a hospital if its principal function is providing the above-described services.

On the other hand, a convalescent home or a home for children or the aged is not a hospital. Similarly, an institution whose principal purpose or function is to train handicapped individuals to pursue some vocation is not a hospital. Moreover, a medical education or medical research institution is not a hospital, unless it is also actively engaged in providing medical or hospital care to patients on its premises or in its facilities on an inpatient or outpatient basis.

Cooperative Hospital Service Organizations

Cooperative hospital service organizations (section 501(e)) should not complete Schedule C.

Medical Research Organizations

To qualify as a medical research organization, the principal function of the organization must be the direct, continuous, and active conduct of medical research in conjunction with a hospital that is described in section 501(c)(3), a Federal hospital, or an instrumentality of a governmental unit referred to in section 170(c)(1). For purposes of section 170(b)(1)(A)(iii) only, the organization must be set up to use the funds it receives in the active conduct of medical research by January 1 of the fifth calendar year after receipt. The arrangement it has with donors to assure use of the funds within the 5-year period must be legally enforceable. As used here, "medical research" means investigations, experiments, and studies to discover, develop, or verify knowledge relating to the causes, diagnosis, treatment, prevention, or control of human physical or mental diseases and impairments. For further information, see Regulations section 1.170A-9(c)(2).

Schedule D. Section 509(a)(3) Supporting Organization

| | |
|--|--|
| 1a Organizations supported by the applicant organization: | b Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)? |
| Name and address of supported organization | |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |

c If "No" for any of the organizations listed in 1a, explain.

2 Does the supported organization have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? **Yes** **No**
 If "Yes," attach: **(a)** a copy of its ruling or determination letter, and **(b)** an analysis of its revenue for the current year and the preceding 3 years. (Provide the financial data using the formats in Part IV-A (lines 1-13) and Part III (lines 12, 13, and 14).)

3 Does your organization's governing document indicate that the majority of its governing board is elected or appointed by the supported organizations? **Yes** **No**
 If "Yes," skip to line 9.
 If "No," you must answer the questions on lines 4 through 9.

4 Does your organization's governing document indicate the common supervision or control that it and the supported organizations share? **Yes** **No**
 If "Yes," give the article and paragraph numbers. If "No," explain.

5 To what extent do the supported organizations have a significant voice in your organization's investment policies, in the making and timing of grants, and in otherwise directing the use of your organization's income or assets?

6 Does the mentioning of the supported organizations in your organization's governing instrument make it a trust that the supported organizations can enforce under state law and compel to make an accounting? **Yes** **No**
 If "Yes," explain.

7a What percentage of your organization's income does it pay to each supported organization?

b What is the total annual income of each supported organization?

c How much does your organization contribute annually to each supported organization?

Schedule D. Section 509(a)(3) Supporting Organization (Continued)

8 To what extent does your organization conduct activities that would otherwise be carried on by the supported organizations? Explain why these activities would otherwise be carried on by the supported organizations.

9 Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization that is not described in section 509(a)(1) or (2)? Yes No
If "Yes," explain.

Instructions

For an explanation of the types of organizations defined in section 509(a)(3) as being excluded from the definition of a private foundation, see Pub. 557, Chapter 3.

Line 1

List each organization that is supported by your organization and indicate in item 1b if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2). If you answer "No" in 1b to any of the listed organizations, please explain in 1c.

Line 3

Your organization's governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

Line 9

For a definition of a "disqualified person," see **Specific Instructions, Part II, Line 4d**, on page 3 of the application's instructions.

Schedule E. Private Operating Foundation

| | | Most recent tax year |
|---|-----------|--|
| Income Test | | |
| 1a Adjusted net income, as defined in Regulations section 53.4942(a)-2(d) | 1a | |
| b Minimum investment return, as defined in Regulations section 53.4942(a)-2(c) | 1b | |
| 2 Qualifying distributions: | | |
| a Amounts (including administrative expenses) paid directly for the active conduct of the activities for which organized and operated under section 501(c)(3) (attach schedule) | 2a | |
| b Amounts paid to acquire assets to be used (or held for use) directly in carrying out purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule) | 2b | |
| c Amounts set aside for specific projects that are for purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule). | 2c | |
| d Total qualifying distributions (add lines 2a, b, and c). | 2d | |
| 3 Percentages: | | |
| a Percentage of qualifying distributions to adjusted net income (divide line 2d by line 1a) | 3a | % |
| b Percentage of qualifying distributions to minimum investment return (divide line 2d by line 1b). (Percentage must be at least 85% for 3a or 3b) | 3b | % |
| Assets Test | | |
| 4 Value of organization's assets used in activities that directly carry out the exempt purposes. Do not include assets held merely for investment or production of income (attach schedule) | 4 | |
| 5 Value of any stock of a corporation that is controlled by applicant organization and carries out its exempt purposes (attach statement describing corporation) | 5 | |
| 6 Value of all qualifying assets (add lines 4 and 5) | 6 | |
| 7 Value of applicant organization's total assets | 7 | |
| 8 Percentage of qualifying assets to total assets (divide line 6 by line 7—percentage must exceed 65%) | 8 | % |
| Endowment Test | | |
| 9 Value of assets not used (or held for use) directly in carrying out exempt purposes: | | |
| a Monthly average of investment securities at fair market value. | 9a | |
| b Monthly average of cash balances. | 9b | |
| c Fair market value of all other investment property (attach schedule). | 9c | |
| d Total (add lines 9a, b, and c). | 9d | |
| 10 Acquisition indebtedness related to line 9 items (attach schedule) | 10 | |
| 11 Balance (subtract line 10 from line 9d) | 11 | |
| 12 Multiply line 11 by 3 1/3% (2/3 of the percentage for the minimum investment return computation under section 4942(e)). Line 2d above must equal or exceed the result of this computation | 12 | |
| Support Test | | |
| 13 Applicant organization's support as defined in section 509(d) | 13 | |
| 14 Gross investment income as defined in section 509(e) | 14 | |
| 15 Support for purposes of section 4942(j)(3)(B)(iii) (subtract line 14 from line 13) | 15 | |
| 16 Support received from the general public, five or more exempt organizations, or a combination of these sources (attach schedule). | 16 | |
| 17 For persons (other than exempt organizations) contributing more than 1% of line 15, enter the total amounts that are more than 1% of line 15 | 17 | |
| 18 Subtract line 17 from line 16. | 18 | |
| 19 Percentage of total support (divide line 18 by line 15—must be at least 85%) | 19 | % |
| 20 Does line 16 include support from an exempt organization that is more than 25% of the amount of line 15? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 21 Newly created organizations with less than 1 year's experience: Attach a statement explaining how the organization is planning to satisfy the requirements of section 4942(j)(3) for the income test and one of the supplemental tests during its first year's operation. Include a description of plans and arrangements, press clippings, public announcements, solicitations for funds, etc. | | |
| 22 Does the amount entered on line 2a include any grants that the applicant organization made? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If "Yes," attach a statement explaining how those grants satisfy the criteria for "significant involvement" grants described in section 53.4942(b)-1(b)(2) of the regulations. | | |

For more information, see back of Schedule E.

Instructions

If the organization claims to be an operating foundation described in section 4942(j)(3) and—

a. Bases its claim to private operating foundation status on normal and regular operations over a period of years; or

b. Is newly created, set up as a private operating foundation, and has at least 1 year's experience;

provide the information under the income test and under one of the three supplemental tests (assets, endowment, or support). If the organization does not have at least 1 year's experience, provide the information called for on line 21. If the organization's private operating foundation status depends on its normal and regular operations as described in **a** above, attach a schedule similar to Schedule E showing the data in tabular form for the 3 years preceding the most recent tax year. (See Regulations section 53.4942(b)-1 for additional information before completing the "Income Test" section of this schedule.) Organizations claiming section 4942(j)(5) status must satisfy the income test and the endowment test.

A "private operating foundation" described in section 4942(j)(3) is a private foundation that spends substantially all of the smaller of its adjusted net income (as defined below) or its minimum investment return directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated. The foundation must satisfy the income test under section 4942(j)(3)(A), as modified by Regulations section 53.4942(b)-1, and one of the following three supplemental tests: **(1)** the assets test under section 4942(j)(3)(B)(i); **(2)** the endowment test under section 4942(j)(3)(B)(ii); or **(3)** the support test under section 4942(j)(3)(B)(iii).

Certain long-term care facilities described in section 4942(j)(5) are treated as private operating foundations for purposes of section 4942 only.

"Adjusted net income" is the excess of gross income for the tax year over the sum of deductions determined with the modifications described below. Items of gross income from any unrelated trade or business and the deductions directly connected with the unrelated trade or business are taken into account in computing the organization's adjusted net income.

Income Modifications

The following are income modifications (adjustments to gross income):

1. Section 103 (relating to interest on certain governmental obligations) does not apply. Thus, interest that otherwise would have been excluded should be included in gross income.

2. Except as provided in **3** below, capital gains and losses are taken into account only to the extent of the net short-term gain. Long-term gains and losses are disregarded.

3. The gross amount received from the sale or disposition of certain property should be included in gross income to the extent that the acquisition of the property constituted a qualifying distribution under section 4942(g)(1)(B).

4. Repayments of prior qualifying distributions (as defined in section 4942(g)(1)(A)) constitute items of gross income.

5. Any amount set aside under section 4942(g)(2) that is "not necessary for the purposes for which it was set aside" constitutes an item of gross income.

Deduction Modifications

The following are deduction modifications (adjustments to deductions):

1. Expenses for the general operation of the organization according to its charitable purposes (as contrasted with expenses for the production or collection of income and management, conservation, or maintenance of income-producing property) should not be taken as deductions. If only a portion of the property is used for production of income subject to section 4942 and the remainder is used for general charitable purposes, the expenses connected with that property should be divided according to those purposes. Only expenses related to the income-producing portion should be taken as a deductions.

2. Charitable contributions, deductible under section 170 or 642(c), should not be taken into account as deductions for adjusted net income.

3. The net operating loss deduction prescribed under section 172 should not be taken into account as a deduction for adjusted net income.

4. The special deductions for corporations (such as the dividends-received deduction) allowed under sections 241 through 249 should not be taken into account as deductions for adjusted net income.

5. Depreciation and depletion should be determined in the same manner as under section 4940(c)(3)(B).

Section 265 (relating to the expenses and interest connected with tax-exempt income) should not be taken into account.

You may find it easier to figure adjusted net income by completing Column (c), Part 1, Form 990-PF, according to the instructions for that form.

An organization that has been held to be a private operating foundation will continue to be such an organization only if it meets the income test and either the assets, endowment, or support test in later years. See Regulations section 53.4942(b) for additional information. No additional request for ruling will be necessary or appropriate for an organization to maintain its status as a private operating foundation. However, data related to the above tests must be submitted with the organization's annual information return, Form 990-PF.

Schedule F. Homes for the Aged or Handicapped

1 What are the requirements for admission to residency? Explain fully and attach promotional literature and application forms.

2 Does or will the home charge an entrance or founder's fee? **Yes** **No**
If "Yes," explain and specify the amount charged.

3 What periodic fees or maintenance charges are or will be required of its residents?

4a What established policy does the home have concerning residents who become unable to pay their regular charges?

b What arrangements does the home have or will it make with local and Federal welfare units, sponsoring organizations, or others to absorb all or part of the cost of maintaining those residents?

5 What arrangements does or will the home have to provide for the health needs of its residents?

6 In what way are the home's residential facilities designed to meet some combination of the physical, emotional, recreational, social, religious, and similar needs of the aged or handicapped?

7 Provide a description of the home's facilities and specify both the residential capacity of the home and the current number of residents.

8 Attach a sample copy of the contract or agreement the organization makes with or requires of its residents.

For more information, see back of Schedule F.

Instructions

Line 1

Provide the criteria for admission to the home and submit brochures, pamphlets, or other printed material used to inform the public about the home's admissions policy.

Line 2

Indicate whether the fee charged is an entrance fee or a monthly charge, etc. Also, if the fee is an entrance fee, is it payable in a lump sum or on an installment basis? If there is no fee, indicate "N/A."

Line 4

Indicate the organization's policy regarding residents who are unable to pay. Also, indicate whether the organization is subsidized for all or part of the cost of maintaining those residents who are unable to pay.

Line 5

Indicate whether the organization provides health care to the residents, either directly or indirectly, through some continuing arrangement with other organizations, facilities, or health personnel. If no health care is provided, indicate "N/A."

Schedule G. Child Care Organizations

1 Is the organization's primary activity the providing of care for children away from their homes? Yes No

2 How many children is the organization authorized to care for by the state (or local governmental unit), and what was the average attendance during the past 6 months, or the number of months the organization has been in existence if less than 6 months?

3 How many children are currently cared for by the organization?

4 Is substantially all (at least 85%) of the care provided for the purpose of enabling parents to be gainfully employed or to seek employment? Yes No

5 Are the services provided available to the general public? Yes No
If "No," explain.

6 Indicate the category, or categories, of parents whose children are eligible for the child care services (check as many as apply):

- low-income parents
- any working parents (or parents looking for work)
- anyone with the ability to pay
- other (explain)

Instructions

Line 5

If your organization's services are not available to the general public, indicate the particular group or groups that may utilize the services.

REMINDER—If this organization claims to operate a school, then it must also fill out Schedule B.

Schedule H. Organizations Providing Scholarship Benefits, Student Aid, Etc., to Individuals

1a Describe the nature and the amount of the scholarship benefit, student aid, etc., including the terms and conditions governing its use, whether a gift or a loan, and how the availability of the scholarship is publicized. If the organization has established or will establish several categories of scholarship benefits, identify each kind of benefit and explain how the organization determines the recipients for each category. Attach a sample copy of any application the organization requires individuals to complete to be considered for scholarship grants, loans, or similar benefits. (Private foundations that make grants for travel, study, or other similar purposes are required to obtain advance approval of scholarship procedures. See Regulations sections 53.4945-4(c) and (d).)

b If you want this application considered as a request for approval of grant procedures in the event we determine that the organization is a private foundation, check here.

c If you checked the box in 1b above, indicate the sections for which you wish the organization to be considered.

4945(g)(1)

4945(g)(2)

4945(g)(3)

2 What limitations or restrictions are there on the class of individuals who are eligible recipients? Specifically explain whether there are, or will be, any restrictions or limitations in the selection procedures based upon race or the employment status of the prospective recipient or any relative of the prospective recipient. Also indicate the approximate number of eligible individuals.

3 Indicate the number of grants the organization anticipates making annually

4 If the organization bases its selections in any way on the employment status of the applicant or any relative of the applicant, indicate whether there is or has been any direct or indirect relationship between the members of the selection committee and the employer. Also indicate whether relatives of the members of the selection committee are possible recipients or have been recipients.

5 Describe any procedures the organization has for supervising grants (such as obtaining reports or transcripts) that it awards, and any procedures it has for taking action if the terms of the grant are violated.

Additional Information

Private foundations that make grants to individuals for travel, study, or other similar purposes are required to obtain advance approval of their grant procedures from the IRS. Such grants that are awarded under selection procedures that have not been approved by the IRS are subject to a 10% excise tax under section 4945. (See Regulations sections 53.4945-4(c) and (d).)

If you are requesting advance approval of the organization's grant procedures, the following sections apply to line 1c:

4945(g)(1)—The grant constitutes a scholarship or fellowship grant that meets the provisions of section 117(a) prior to its amendment by the Tax Reform Act of 1986 and is to be used for study at an educational organization (school) described in section 170(b)(1)(A)(ii).

4945(g)(2)—The grant constitutes a prize or award that is subject to the provisions of section 74(b), if the recipient of such a prize or award is selected from the general public.

4945(g)(3)—The purpose of the grant is to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Schedule I. Successors to "For Profit" Institutions

1 What was the name of the predecessor organization and the nature of its activities?

2 Who were the owners or principal stockholders of the predecessor organization? (If more space is needed, attach schedule.)

| Name and address | Share or interest |
|------------------|-------------------|
| | |
| | |
| | |
| | |
| | |

3 Describe the business or family relationship between the owners or principal stockholders and principal employees of the predecessor organization and the officers, directors, and principal employees of the applicant organization.

4a Attach a copy of the agreement of sale or other contract that sets forth the terms and conditions of sale of the predecessor organization or of its assets to the applicant organization.

b Attach an appraisal by an independent qualified expert showing the fair market value at the time of sale of the facilities or property interest sold.

5 Has any property or equipment formerly used by the predecessor organization been rented to the applicant organization or will any such property be rented? **Yes** **No**
 If "Yes," explain and attach copies of all leases and contracts.

6 Is the organization leasing or will it lease or otherwise make available any space or equipment to the owners, principal stockholders, or principal employees of the predecessor organization? **Yes** **No**
 If "Yes," explain and attach a list of these tenants and a copy of the lease for each such tenant.

7 Were any new operating policies initiated as a result of the transfer of assets from a profit-making organization to a nonprofit organization? **Yes** **No**
 If "Yes," explain.

Additional Information

A "for profit" institution for purposes of this schedule includes any organization in which a person may have a proprietary or partnership interest, hold corporate

stock, or otherwise exercise an ownership interest. The institution need not have operated for the purpose of making a profit.

Activity Code Numbers of Exempt Organizations (select up to three codes that best describe or most accurately identify your organization's purposes, activities, operations or type of organization and enter in block 6, page 1, of the application. Enter first the code that most accurately identifies the organization.)

| Code | Code | Code | Code |
|---|---|--|--|
| Religious Activities | 181 Scientific research for government | 322 FFA, FHA, 4-H club, etc. | 520 Pacifism and peace |
| 001 Church, synagogue, etc. | --- Scientific research (diseases) (use 161) | 323 Key club | 521 Economic-political system of U.S. |
| 002 Association or convention of churches | 199 Other scientific research activities | 324 YMCA, YWCA, YMHA, etc. | 522 Anti-communism |
| 003 Religious order | | 325 Camp | 523 Right to work |
| 004 Church auxiliary | Business and Professional Organizations | 326 Care and housing of children (orphanage, etc.) | 524 Zoning or rezoning |
| 005 Mission | 200 Business promotion (chamber of commerce, business league, etc.) | 327 Prevention of cruelty to children | 525 Location of highway or transportation system |
| 006 Missionary activities | 201 Real estate association | 328 Combat juvenile delinquency | 526 Rights of criminal defendants |
| 007 Evangelism | 202 Board of trade | 349 Other youth organization or activities | 527 Capital punishment |
| 008 Religious publishing activities | 203 Regulating business | | 528 Stricter law enforcement |
| --- Bookstore (use 918) | 204 Promotion of fair business practices | Conservation, Environmental, and Beautification Activities | 529 Ecology or conservation |
| --- Genealogical activities (use 094) | 205 Professional association | 350 Preservation of natural resources (conservation) | 530 Protection of consumer interests |
| 029 Other religious activities | 206 Professional association auxiliary | 351 Combating or preventing pollution (air, water, etc.) | 531 Medical care service |
| Schools, Colleges, and Related Activities | 207 Industry trade shows | 352 Land acquisition for preservation | 532 Welfare system |
| 030 School, college, trade school, etc. | 208 Convention displays | 353 Soil or water conservation | 533 Urban renewal |
| 031 Special school for the blind, handicapped, etc. | --- Testing products for public safety (use 905) | 354 Preservation of scenic beauty | 534 Busing students to achieve racial balance |
| 032 Nursery school | 209 Research, development, and testing | --- Litigation (see Litigation and Legal Aid Activities) | 535 Racial integration |
| --- Day care center (use 574) | 210 Professional athletic league | --- Combat community deterioration (use 402) | 536 Use of intoxicating beverages |
| 033 Faculty group | --- Attracting new industry (use 403) | 355 Wildlife sanctuary or refuge | 537 Use of drugs or narcotics |
| 034 Alumni association or group | --- Publishing activities (use 120) | 356 Garden club | 538 Use of tobacco |
| 035 Parent or parent-teachers association | --- Insurance or other benefits for members (see Employee or Membership Benefit Organizations) | 379 Other conservation, environmental, or beautification activities | 539 Prohibition of erotica |
| 036 Fraternity or sorority | 211 Underwriting municipal insurance | | 540 Sex education in public schools |
| --- Key club (use 323) | 212 Assigned risk insurance activities | Housing Activities | 541 Population control |
| 037 Other student society or group | 213 Tourist bureau | 380 Low-income housing | 542 Birth control methods |
| 038 School or college athletic association | 219 Other business or professional group | 381 Low and moderate income housing | 543 Legalized abortion |
| 039 Scholarships for children of employees | | 382 Housing for the aged (see also 153) | 559 Other matters |
| 040 Scholarships (other) | Farming and Related Activities | --- Nursing or convalescent home (use 152) | Other Activities Directed to Individuals |
| 041 Student loans | 230 Farming | --- Student housing (use 042) | 560 Supplying money, goods, or services to the poor |
| 042 Student housing activities | 231 Farm bureau | --- Orphanage (use 326) | 561 Gifts or grants to individuals (other than scholarships) |
| 043 Other student aid | 232 Agricultural group | 398 Instruction and guidance on housing | --- Scholarships for children of employees (use 039) |
| 044 Student exchange with foreign country | 233 Horticultural group | 399 Other housing activities | --- Scholarships (other) (use 040) |
| 045 Student operated business | 234 Farmers cooperative marketing or purchasing | | --- Student loans (use 041) |
| --- Financial support of schools, colleges, etc. (use 602) | 235 Financing crop operations | Inner City or Community Activities | 562 Other loans to individuals |
| --- Achievement prizes or awards (use 914) | --- FFA, FHA, 4-H club, etc. (use 322) | 400 Area development, redevelopment, or renewal | 563 Marriage counseling |
| --- Student bookstore (use 918) | --- Fair (use 065) | --- Housing (see Housing Activities) | 564 Family planning |
| --- Student travel (use 299) | 236 Dairy herd improvement association | 401 Homeowners association | 565 Credit counseling and assistance |
| --- Scientific research (see Scientific Research Activities) | 237 Breeders association | 402 Other activity aimed at combating community deterioration | 566 Job training, counseling, or assistance |
| 046 Private school | 249 Other farming and related activities | 403 Attracting new industry or retaining industry in an area | 567 Draft counseling |
| 059 Other school related activities | | 404 Community promotion | 568 Vocational counseling |
| Cultural, Historical or Other Educational Activities | Mutual Organizations | --- Community recreational facility (use 297) | 569 Referral service (social agencies) |
| 060 Museum, zoo, planetarium, etc. | 250 Mutual ditch, irrigation, telephone, electric company, or like organization | --- Community center (use 296) | 572 Rehabilitating convicts or ex-convicts |
| 061 Library | 251 Credit union | 405 Loans or grants for minority businesses | 573 Rehabilitating alcoholics, drug abusers, compulsive gamblers, etc. |
| 062 Historical site, records, or reenactment | 252 Reserve funds or insurance for domestic building and loan association, cooperative bank, or mutual savings bank | --- Job training, counseling, or assistance (use 566) | 574 Day care center |
| 063 Monument | 253 Mutual insurance company | --- Day care center (use 574) | 575 Services for the aged (see also 153 and 382) |
| 064 Commemorative event (centennial, festival, pageant, etc.) | 254 Corporation organized under an Act of Congress (see also 904) | --- Referral service (social agencies) (use 569) | --- Training of or aid to the handicapped (see 031 and 160) |
| 065 Fair | --- Farmers cooperative marketing or purchasing (use 234) | --- Legal aid to indigents (use 462) | Activities Directed to Other Organizations |
| 088 Community theatrical group | --- Cooperative hospital service organization (use 157) | 406 Crime prevention | 600 Community Chest, United Way, etc. |
| 089 Singing society or group | 259 Other mutual organization | 407 Voluntary firemen's organization or auxiliary | 601 Booster club |
| 090 Cultural performances | Employee or Membership Benefit Organizations | --- Rescue squad (use 158) | 602 Gifts, grants, or loans to other organizations |
| 091 Art exhibit | 260 Fraternal beneficiary society, order, or association | 408 Community service organization | 603 Nonfinancial services or facilities to other organizations |
| 092 Literary activities | 261 Improvement of conditions of workers | 409 Other inner city or community benefit activities | Other Purposes and Activities |
| 093 Cultural exchanges with foreign country | 262 Association of municipal employees | Civil Rights Activities | 900 Cemetery or burial activities |
| 094 Genealogical activities | 263 Association of employees | 430 Defense of human and civil rights | 901 Perpetual care fund (cemetery, columbarium, etc.) |
| --- Achievement prizes or awards (use 914) | 264 Employee or member welfare association | 431 Elimination of prejudice and discrimination (race, religion, sex, national origin, etc.) | 902 Emergency or disaster aid fund |
| --- Gifts or grants to individuals (use 561) | 265 Sick, accident, death, or similar benefits | 432 Lessen neighborhood tensions | 903 Community trust or component |
| --- Financial support of cultural organizations (use 602) | 266 Strike benefits | 449 Other civil rights activities | 904 Government instrumentality or agency (see also 254) |
| 119 Other cultural or historical activities | 267 Unemployment benefits | Litigation and Legal Aid Activities | 905 Testing products for public safety |
| Other Instruction and Training Activities | 268 Pension or retirement benefits | 460 Public interest litigation activities | 906 Consumer interest group |
| 120 Publishing activities | 269 Vacation benefits | 461 Other litigation or support of litigation | 907 Veterans activities |
| 121 Radio or television broadcasting | 279 Other services or benefits to members or employees | 462 Legal aid to indigents | 908 Patriotic activities |
| 122 Producing films | | 463 Providing bail | 909 4947(a)(1) trust |
| 123 Discussion groups, forums, panels, lectures, etc. | Sports, Athletic, Recreational, and Social Activities | 465 Plan under IRC section 120 | 910 Domestic organization with activities outside U.S. |
| 124 Study and research (nonscientific) | 280 Country club | Legislative and Political Activities | 911 Foreign organization |
| 125 Giving information or opinion (see also Advocacy) | 281 Hobby club | 480 Propose, support, or oppose legislation | 912 Title holding corporation |
| 126 Apprentice training | 282 Dinner club | 481 Voter information on issues or candidates | 913 Prevention of cruelty to animals |
| --- Travel tours (use 299) | 283 Variety club | 482 Voter education (mechanics of registering, voting, etc.) | 914 Achievement prizes or awards |
| 149 Other instruction and training | 284 Dog club | 483 Support, oppose, or rate political candidates | 915 Erection or maintenance of public building or works |
| Health Services and Related Activities | 285 Women's club | 484 Provide facilities or services for political campaign activities | 916 Cafeteria, restaurant, snack bar, food services, etc. |
| 150 Hospital | --- Garden club (use 356) | 509 Other legislative and political activities | 917 Thrift shop, retail outlet, etc. |
| 151 Hospital auxiliary | 286 Hunting or fishing club | Advocacy | 918 Book, gift, or supply store |
| 152 Nursing or convalescent home | 287 Swimming or tennis club | Attempt to influence public opinion concerning: | 919 Advertising |
| 153 Care and housing for the aged (see also 382) | 288 Other sports club | 510 Firearms control | 920 Association of employees |
| 154 Health clinic | --- Boys Club, Little League, etc. (use 321) | 511 Selective Service System | 921 Loans or credit reporting |
| 155 Rural medical facility | 296 Community center | 512 National defense policy | 922 Endowment fund or financial services |
| 156 Blood bank | 297 Community recreational facilities (park, playground, etc.) | 513 Weapons systems | 923 Indians (tribes, cultures, etc.) |
| 157 Cooperative hospital service organization | 298 Training in sports | 514 Government spending | 924 Traffic or tariff bureau |
| 158 Rescue and emergency service | 299 Travel tours | 515 Taxes or tax exemption | 925 Section 501(c)(1) with 50% deductibility |
| 159 Nurses register or bureau | 300 Amateur athletic association | 516 Separation of church and state | 926 Government instrumentality other than section 501(c) |
| 160 Aid to the handicapped (see also 031) | --- School or college athletic association (use 038) | 517 Government aid to parochial schools | 927 Fundraising |
| 161 Scientific research (diseases) | 301 Fundraising athletic or sports event | 518 U.S. foreign policy | 928 4947(a)(2) trust |
| 162 Other medical research | 317 Other sports or athletic activities | 519 U.S. military involvement | 930 Prepaid legal services plan exempt under IRC section 501(c)(20) |
| 163 Health insurance (medical, dental, optical, etc.) | 318 Other recreational activities | | 931 Withdrawal liability payment fund |
| 164 Prepared group health plan | 319 Other social activities | | 990 Section 501(k) child care organization |
| 165 Community health planning | Youth Activities | | |
| 166 Mental health care | 320 Boy Scouts, Girl Scouts, etc. | | |
| 167 Group medical practice association | 321 Boys Club, Little League, etc. | | |
| 168 In-faculty group practice association | | | |
| 169 Hospital pharmacy, parking facility, food services, etc. | | | |
| 179 Other health services | | | |
| Scientific Research Activities | | | |
| 180 Contract or sponsored scientific research for industry | | | |