[redacted]

[redacted]

[redacted]

[redacted]

FEB 2 3 1982

Dear Applicant:

We have completed our review of the application for recognition of exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code which you recently filed.

The evidence submitted indicates that your organization was formed on [redacted], as an unincorporated association to provide fellowship for unmarried [redacted] persons between the ages of 21 and 35 and to strengthen the bonds between such persons and their faith and to promote and advance by association in social and religious contexts the [redacted] Faith.

Your activities consist mainly of Sunday brunches at area [redacted] with noted [redacted] speakers, Friday night services at area [redacted]; evening discussions on topics of interest to the membership at area [redacted], dances and group celebrations of [redacted] holidays.

Funds for the organization are primarily from membership dues, entrance charges to events sponsored by the association, donations by members and contributions from [redacted] institutions and [redacted].

Expenditures are primarily for administrative and general expenses.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for religious and educational purposes.

Income tax regulations Section 1.501(c)(3)-(1)(A)(1) provides that, to be exempt, an organization described in Section 501(c)(3) must be both organized and operated exclusively for one or more of the purposes described in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Regulations Section 1.501(c)(3)-1(b)(1) specifies that an organization is organized exclusively for one or more exempt purposes only if its Articles of Incorporation limit the purposes of such organizations to one or more exempt purposes.

[redacted]

Regulations Section 1.501(c)(3)-1(b)(4) specifies that an organization is not organized for one or more exempt purposes unless its assets are dedicated to an exempt purpose.

Regulations section 1.501(c)(3)-1(c)(1) stipulates that an organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities which accomplish any or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Regulations section 1.501(c)(3)-1(d)(1)(ii) specifies that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves public rather than private interests.

To qualify for exemption under section 501(c)(3), the applicant has the burden of showing (1) that it was organized and operated exclusively for religious or charitable purposes, (2) that no part of its earnings inured to the benefit of a private individual or shareholder, and (3) that no substantial part of its activities consisted of the dissemination of propaganda or otherwise attempting to influence legislation or engaging in political activity.

Section 501(c)(7) exempts from Federal income tax "clubs organized for pleasure, recreation and other non-profitable purposes, substantially all of the activities of which are for such purposes and no part of the net earning of which inures to the benefit of any private shareholders."

Section 501(i) of the Code prohibits any club from being exempt under section 501(c)(7) for any taxable year if "at any time during such taxable year the charter, by-laws or other governing instrument of such organization or any written policy statement of such organization contains a provision that provides for discrimination against any person on the basis of race, color or religion. This section was amended by Public Law 96-601, enacted December 24, 1980 (effective for all taxable years beginning after October 20, 1976) which provides that social clubs are allowed to retain their exemption even though their membership is limited (in writing) to members of a particular religion if:

(a) the social club is an auxiliary of a fraternal beneficiary society which is exempt under IRC 501(c)(8); or

(b) the social club's membership limitation is a good faith attempt to further the teachings or principles of that religion, and is not intended to exclude individuals of a particular race or color.

Based on evidence submitted, we have determined that you are not operated exclusively for religious purposes as required for exemption under section 501(c)(3) of the Code. Your activities are more accurately described in section 501(c)(7) rather than as a charitable, religious organization in section 501(c)(3).

[redacted]

Therefore, we have determined that you are not entitled to exemption under section 501(c)(3).

If you wish to apply for exemption under section 501(c)(7), a Form 1024 application must be submitted to us for a determination.

If you do not wish to apply for exemption under section 501(c)(7) you will be required to file Federal income tax returns on Form 1120.

In accordance with section 6104(c), we have notified the appropriate state officials of this determination.

You have the right to protest this determination if you believe it is incorrect. To appeal, please refer to the enclosed Publication 892.

If you do not protest this determination within 30 days from the date of this letter, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part, that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims or the district court of the United States for the District of Columbia determines that the organization has exhausted all administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

[redacted]

District Director

Enclosure:
Publication 892

[redacted]