



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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Contact Person:

Identification Number:

Telephone Number:

Employer Identification Number:

UIL Code:

501.03-02 4942.03-00

507.01-00 4944.00-00

507.07-00 4945.00-00

4940.00-00 4945.04-06

4941.04-00 6033.00-00

Legend:

Trust =

Dear

We have considered your ruling request concerning the tax consequences of the complete transfer of assets from one private foundation to another.

Facts:

You are a nonprofit corporation described in section 501(c)(3) of the Internal Revenue Code ("Code") and are classified as a private foundation under section 509(a). Trust is a trust under state law described in section 501(c)(3) and is classified as a private foundation under section 509(a). You and Trust are not controlled by the same persons, but your exempt purposes are identical. In order to realize administrative cost savings and eliminate duplication of efforts, you plan to transfer all your assets to Trust and subsequently dissolve.

Rulings Requested:

You and Trust have requested the following rulings:

1. The transfer of all your assets to Trust will not result in a voluntary termination, under section 507(a)(1) of the Code, of your private foundation status, and will not result in the imposition of tax under section 507(c).
2. Trust will not be treated as a "newly created organization" under section 507(b)(2) of the Code and section 1.507-3(a)(1) of the Income Tax Regulations ("income tax regulations").

3. The transfer of all your assets to Trust will not adversely affect your status or Trust's status as an organization described in section 501(c)(3) of the Code.
4. As a result of the transfer of all your assets to Trust, Trust will succeed to your "aggregate tax benefit," as defined in section 507(d)(1) of the Code, but not in excess of the fair market value of the assets transferred at the time of the transfer.
5.
 - A. The transfer of all your assets to Trust will not result in a tax liability for Trust on net investment income under section 4940 of the Code.
 - B. Any tax liability on net investment income under section 4940 of the Code you incur for the taxable year in which you transfer all your assets to Trust, which arose prior to the transfer, and which you do not pay, must be satisfied by Trust.
 - C. Any refund of taxes under section 4940 of the Code you may be due, Trust may not use to offset its own liability for tax under section 4940.
6. The transfer of all your assets to Trust will not be an act of self-dealing under section 4941 of the Code.
7. You are required to meet the income distribution requirements of section 4942 of the Code for the taxable year in which you transfer all your assets to Trust.
8. The transfer of all your assets to Trust will not be an investment that will jeopardize the exempt purposes of either you or Trust under section 4944 of the Code.
9.
 - A. The transfer of all your assets to Trust will not be a taxable expenditure under section 4945(d) of the Code.
 - B. As to any obligation you have to exercise expenditure responsibility under section 4945(h) of the Code at the time of the transfer, Trust will not be required to exercise expenditure responsibility.
 - C. As to any obligation you have to exercise expenditure responsibility under section 4945(h) of the Code at the time of the transfer, you will no longer be required to exercise expenditure responsibility, except for the information reporting requirements in section 4945(h)(3) for the taxable year of the transfer.

10. A. For the taxable year in which you transfer all your assets to Trust, you will be required to include information regarding the transfer with your Form 990-PF for that year.
- B. You will not be required to file the annual information return required by section 6033 of the Code (Form 990-PF) for any taxable year subsequent to the taxable year in which you transfer all your assets to Trust, if during the subsequent taxable years you have neither legal nor equitable title to any assets and engage in no activity.

Law:

Section 170(c)(2)(B) of the Code describes an organization that is organized and operated exclusively for religious, charitable, scientific, literary, or educational or other specified purposes.

Section 501(c)(3) of the Code describes organizations that are organized and operated exclusively for religious, charitable, scientific, educational, or other specified purposes, and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 507(a)(1) of the Code states that the status of any organization as a private foundation shall be terminated only if the organization notifies the Internal Revenue Service of its intent to accomplish such termination, at such time and in such manner as prescribed in regulations.

Section 507(b)(2) of the Code states that in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization, the transferee foundation shall not be treated as a newly created organization.

Section 507(c) of the Code imposes a tax on the termination of a private foundation in a transaction described in section 507(a)(1).

Section 507(d)(1) of the Code defines the aggregate tax benefit resulting from the section 501(c)(3) status of any private foundation.

Section 4940(a) of the Code imposes on each private foundation which is exempt from taxation under section 501(a) for the taxable year, with respect to the carrying on of its activities, an excise tax of two percent of the net investment income of the foundation for the taxable year.

Section 4940(c)(1) of the Code defines the term “net investment income” as the amount by which the sum of the gross investment income and the capital gain net income exceeds certain deductions.

Section 4940(c)(2) of the Code defines the term “gross investment income” as the gross income from interest, dividends, rents, payments with respect to securities loans and royalties, and income from similar sources.

Section 4941(a)(1) of the Code imposes an excise tax on each act of self-dealing between a disqualified person and a private foundation.

Section 4942 of the Code imposes annual excise taxes on the “undistributed income” of a private foundation. Section 4942(c) defines “undistributed income” as the amount by which “qualifying distributions” are less than a “minimum investment return.”

Section 4942(g)(1)(A) of the Code defines the term “qualifying distribution” as any amount paid by a private foundation to accomplish one or more purposes described in section 170(c)(2)(B), other than a contribution to: (i) an organization controlled (directly or indirectly) by the foundation or disqualified persons with respect to the foundation, or (ii) a private foundation, except as provided in section 4942(g)(3).

Section 4942(g)(3) of the Code states that the term “qualifying distribution” includes a contribution by a private foundation to a section 501(c)(3) organization described in section 4942(g)(1)(A)(i) or section 4942(g)(1)(A)(ii) if the section 501(c)(3) organization redistributes the contribution to a qualifying organization within the required period of time and treats the redistribution as a distribution out of corpus.

Section 4944(a)(1) of the Code imposes excise taxes on a private foundation if investments are made in such a manner as to jeopardize the carrying out of any the foundation's exempt purposes.

Section 4944(c) of the Code states that if the primary purpose of investments by a private foundation is to accomplish one or more of the purposes described in section 170(c)(2)(B), and no significant purpose is the production of income or the appreciation of property, the investments are not considered as jeopardizing the carrying out of any of the private foundation's exempt purposes.

Section 4945(d) of the Code imposes excise taxes on each “taxable expenditure” made by a private foundation. A “taxable expenditure” is any amount paid by a private foundation for certain prohibited purposes. A grant over which a private foundation exercises “expenditure responsibility,” as described in section 4945(h), is not a “taxable expenditure.” Section 4944(d)(4)(B). In addition, an amount paid by a private

foundation is not a “taxable expenditure” if the purpose of the payment is for one or more of the purposes specified in section 170(c)(2)(B). Section 4945(d)(5).

Section 4945(h) of the Code states that “expenditure responsibility” means that the private foundation is responsible to exercise all reasonable efforts to establish adequate procedures: (1) to see that the grant is spent solely for the purpose for which made, (2) to obtain full and complete reports from the grantee on how the funds are spent, and (3) to make full and detailed reports with respect to the Internal Revenue Service.

Section 6033(a)(1) of the Code provides that with certain exceptions, every organization exempt from taxation under section 501(a) shall file an annual return.

Section 6043(b) of the Code states that a tax-exempt organization, with certain exceptions, must file information with the Internal Revenue Service with respect to a liquidation, dissolution, termination or substantial contraction.

Chapter 42 of Subtitle D of the Code (Miscellaneous Excise Taxes) includes provisions of the Code relating to excise taxes on private foundations.

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

Section 1.501(c)(3)-1(d) of the income tax regulations states that an organization may be exempt as an organization described in section 501(c)(3) of the Code if it is organized and operated exclusively for one or more purposes, including religious, charitable, scientific, or educational.

Section 1.507-1(b)(6) of the income tax regulations states, in part, that if a private foundation transfers all or part of its assets to one or more other private foundations in a transfer described in section 507(b)(2) of the Code and section 1.507-3, the transferor foundation will not have terminated its private foundation status under section 507(a)(1).

Section 1.507-1(b)(9) of the income tax regulations states, in part, that a private foundation that transfers all of its net assets is required to file the annual information return required by section 6033 of the Code for the taxable year in which the transfer occurs. However, the foundation is not required to file an annual information return for any taxable year following the taxable year in which the last transfer occurred, if at no time during the subsequent taxable year the foundation has either legal or equitable title to any assets nor engages in any activity.

Section 1.507-3(a)(1) of the income tax regulations states that in the case of a transfer described in section 507(b)(2) of the Code, the transferee shall not be treated as a newly created organization. A transferee private foundation will be treated as possessing certain tax attributes and characteristics of the transferor private foundation, which are described in sections 1.507-3(a)(2), (3), and (4).

Section 1.507-3(a)(2)(i) of the income tax regulations states that a transferee private foundation succeeds to that part of the transferor's aggregate tax benefit that is attributable to the assets transferred, based on the transferor's assets held just before the transfer.

Section 1.507-3(a)(2)(ii) of the income tax regulations states that if a transferor private foundation and the transferee private foundation are not "effectively controlled," directly or indirectly, by the same persons, the transferee does not succeed to an aggregate tax benefit in excess of the fair market value of the assets transferred at the time of the transfer.

Section 1.507-3(a)(4) of the income tax regulations states that in the case of a transfer of assets described in section 507(b)(2) of the Code, if the transferor private foundation incurs a liability for any of the taxes imposed under chapter 42 prior to the transfer, and the transferor does not satisfy the liability, the transferee will receive the transferred assets subject to such liability.

Section 1.507-3(a)(5) of the income tax regulations states that except as provided in section 1.507-3(a)(9), a private foundation is required to meet the distribution requirements of section 4942 of the Code for any taxable year in which it makes a transfer described in section 507(b)(2) of all or part of its net assets to another private foundation. This transfer is counted toward satisfaction of the distribution requirements to the extent the amount transferred meets the requirements of section 4942(g). Where the transferor has disposed of all its assets, the recordkeeping requirements of section 4942(g)(3)(B) does not apply during any period in which it has no assets.

Section 1.507-3(a)(7) of the income regulations states that for purposes of section 4945 of the Code, when a private foundation has disposed of all its assets to another private foundation, and both foundations are not controlled, directly or indirectly, by the same persons, sections 4945(g) and 4945(h) (relating to "expenditure responsibility" grants made by the transferor) do not apply to the transferor or transferee foundation for taxable years following the taxable year in which the transfer occurs, but the transferor must comply with the information reporting requirements under 4945(h)(3) for the taxable year in which the disposition has occurred.

Section 1.507-3(a)(9)(i) of the income tax regulations states that if a private foundation transfers all of its assets to another private foundation, and both are “effectively controlled,” directly or indirectly, by the same persons, the transferee private foundation is treated as if it were the transferor.

Section 1.507-4(b) of the income tax regulations provides that private foundations which make transfers described in section 507(b)(1)(A) or section 507(b)(2) of the Code are not subject to the tax imposed under section 507(c) with respect to such transfers unless the provisions of section 507(a) become applicable.

Section 53.4940-1(c)(1) of the Foundation & Similar Excise Taxes Regulations (“foundation regulations”) states, in pertinent part, that “net investment income” is determined under the principles of subtitle A of the Code.

Section 53.4946-1(a)(8) of the foundation regulations states that for purposes of section 4941 of the Code only, the term “disqualified person” does not include an organization described in section 501(c)(3).

Section 1.6043-3(a)(1) of the Procedure and Administration Regulations (“procedure regulations”) states that the information a tax-exempt organization must file with respect to a liquidation, dissolution, termination or substantial contraction should be filed with the organization’s annual information return for the period such transaction occurs.

Analysis:

Ruling 1:

Section 507(c) of the Code imposes a tax on the termination of a private foundation in a transaction described in section 507(a)(1). A transfer by a private foundation of all of its assets to one or more private foundations in a transaction described in section 507(b)(2) is not a voluntary termination under section 507(a)(1) of the transferor’s status as a private foundation. See section 1.507-1(b)(6) of the income tax regulations. As a result, the transferor private foundation is not subject to tax under section 507(c) of the Code. See section 1.507-4(b) of the regulations.

The transfer of all your assets to Trust, a private foundation, is a transfer described in section 507(b)(2) of the Code. Therefore, the transfer will not be a voluntary termination, under section 507(a)(1), of your status as a private foundation. Thus, you will not be subject to tax under section 507(c).

Ruling 2:

Under section 507(b)(2) of the Code and section 1.507-3(a)(1) of the income tax regulations, a transfer of assets by a private foundation to another private foundation in a transfer described in section 507(b)(2) of the Code will not result in the transferee private foundation being treated as a “newly created organization” within the meaning of section 507(b)(2) and section 1.507-3(a)(1) of the regulations. Both you and Trust are private foundations. The transfer of all your assets to Trust is a transfer described in section 507(b)(2) of the Code. Therefore, Trust will not be treated as a “newly created organization” within the meaning of section 507(b)(2) and section 1.507-3(a)(1) of the regulations.

Ruling 3:

An organization is described in section 501(c)(3) of the Code if it is organized and operated exclusively for one or more exempt purposes described in section 1.501(c)(3)-1(d) of the income tax regulations. See section 501(c)(3) of the Code and section 1.501(c)(3)-1(a)(1) of the regulations. Both you and Trust are organized and operated exclusively for one or more exempt purposes described in section 1.501(c)(3)-1(d). You will transfer all of your assets to Trust, which will use these assets to further its exempt purposes. Therefore, because the transfer of all your assets to Trust is in furtherance of your exempt purposes, the transfer will not adversely affect your status as an organization described in section 501(c)(3) of the Code. Similarly, Trust’s receipt of all your assets will not adversely affect its status as an organization described in section 501(c)(3).

Ruling 4:

When a private foundation transfers assets to another private foundation in a transfer described in section 507(b)(2) of the Code, if the transferor and transferee foundations are not “effectively controlled” by the same persons, the transferee succeeds to the “aggregate tax benefit” of the transferor, as defined in section 507(d)(1), but not in excess of the fair market value of the assets transferred. See sections 1.507-3(a)(1), 1.507-3(a)(2)(i) and 1.507-3(a)(2)(ii) of the income tax regulations. The transfer of all your assets to Trust is described in section 507(b)(2) of the Code. In addition, you and Trust are not controlled by the same persons. Therefore, the transfer of all of your assets to Trust will result in Trust succeeding to your “aggregate tax benefit” as defined in section 507(d)(1).

Ruling 5:

Section 4940(a) of the Code imposes an excise tax on a private foundation's net investment income. Net investment income is defined as the foundation's gross investment income less certain deductions. Investment income is determined under the principles of subtitle A, and includes such items as interest, dividends, rents and royalties. See sections 4940(c)(1) and 4940(c)(2) of the Code and section 53.4940-1(c)(1) of the foundation regulations.

The transfer of all your assets to Trust is a transfer described in section 507(b)(2) of the Code. The transferred assets do not constitute investment income under the Code. Therefore, Trust's receipt of these assets will not be investment income to Trust within the meaning of section 4940(c)(2). See section 1.4940-1(c)(1) of the foundation regulations. Therefore, Trust will not be liable for tax under section 4940 with respect to its receipt of the transferred assets.

In the case of a transfer of assets described in section 507(b)(2) of the Code, if prior to the transfer, the transferor private foundation incurs a liability for tax under chapter 42 of Subtitle D, but does not satisfy the liability, the transferee foundation will receive the assets subject to such liability. The transfer of all your assets to Trust is a transfer described in section 507(b)(2). Therefore, with respect to your net investment income for the period during the taxable year prior to the transfer of all your assets to Trust, if you are liable for tax under section 4940, but if you do not satisfy this liability, Trust will receive the transferred assets subject to this liability and will be required to satisfy the liability.

If you are entitled to receive a refund of tax under section 4940 of the Code that you previously paid, the right to this refund would be included in the assets transferred to Trust. However, because you and Trust are not "effectively controlled" by the same persons, Trust may not use the right to receive this refund to offset its own liability for tax under section 4940. See section 1.507-3(a)(9)(i) of the income tax regulations.

Ruling 6:

Section 4941(a) of the Code imposes a tax on each act of self-dealing between a disqualified person and a private foundation. However, an organization described in section 501(c)(3), including one that is classified as a private foundation under section 509(a), is not a disqualified person for purposes of section 4941. See section 53.4946-1(a)(8) of the foundation regulations. Therefore, there can be no act of self-dealing under section 4941 of the Code between a private foundation and another private foundation because neither one is a disqualified person.

Both you and Trust are organizations described in section 501(c)(3) of the Code and classified as private foundations under section 509(a). As a result, the transfer of all of your assets to Trust will not be an act of self-dealing within the meaning of section 4941(a)(1).

Ruling 7:

Section 4942 of the Code requires that a private foundation meet certain annual income distribution requirements. A private foundation that transfers all its assets to another private foundation in a transfer described in section 507(b)(2) must comply with the section 4942 income distribution requirements for the taxable year in which the transfer occurs. The section 507(b)(2) transfer is counted toward the satisfaction of this requirement if the transferor makes the transfer to accomplish a purpose described in section 170(c)(2)(B) and the transferor and transferee are not "effectively controlled" by the same persons. However, the transfer is counted only to the extent that the transferee redistributes the assets transferred within the required period of time and treats the redistribution as a distribution out of corpus. See section 4942(g)(3) and sections 1.507-3(a)(5) and 1.507-3(a)(9)(i) of the income tax regulations.

As a private foundation, you are required to comply with the annual income distribution requirements in section 4942 of the Code. The transfer of all your assets to Trust, another private foundation, is a transfer described in section 507(b)(2). For the taxable year in which this transfer occurs, you must comply with the section 4942 annual income distribution requirements. You and Trust are not controlled by the same persons. Therefore, no part of your transfer of all your assets to Trust will constitute a qualifying distribution except to the extent that Trust makes a timely redistribution of the funds that it treats as a distribution out of corpus, as described in section 4942(g)(3). See section 1.507-3(a)(5) of the income tax regulations.

Ruling 8:

Section 4944 of the Code imposes certain excise taxes on a private foundation and others if a private foundation makes investments that jeopardize carrying out any of its exempt purposes. Under section 4944(c), if the primary purpose of an investment is to accomplish a purpose described in section 170(c)(2)(B), the investment is not considered a prohibited investment for purposes of section 4944.

The transfer of all your assets to Trust, another private foundation, is a transfer described in section 507(b)(2) of the Code. Following the transfer, you will dissolve and you will have neither legal nor equitable title in any assets, and you will engage in no activity. Therefore, this transfer will not be a prohibited investment for purposes of section 4944 and you will not be subject to the excise taxes under section 4944.

Trust will receive your assets in a transfer described in section 507(b)(2) of the Code. As a private foundation, Trust will use these assets to further its charitable purposes, consistent with the purposes described in section 170(c)(2)(B). Therefore, under section 4944(c), Trust's receipt of these assets will not be a prohibited investment for purposes of section 4944 and Trust will not be subject to the excise taxes under section 4944.

Ruling 9:

Section 4945(d) of the Code imposes certain excise taxes if a private foundation makes a "taxable expenditure." A "taxable expenditure" is any amount paid by a private foundation for certain prohibited purposes. However, a grant over which the private foundation exercises "expenditure responsibility," as defined in section 4945(h), is not a taxable expenditure. When a private foundation has disposed of all its assets to another private foundation in a transfer described in section 507(b)(2), and both foundations are not "effectively controlled" by the same person or persons, the "expenditure responsibility" requirement does not apply to either the transferor or the transferee with respect to any "expenditure responsibility" grants previously made by the transferor. See section 1.507-3(a)(7) of the income tax regulations.

The transfer of all your assets to Trust, another private foundation, will be a transfer described in section 507(b)(2) of the Code. Therefore, the transfer itself will not be a taxable expenditure under section 4945(d)

You and Trust are not controlled by the same persons. Therefore, as to any obligation you have to exercise expenditure responsibility under section 4945(h) of the Code at the time of the transfer, Trust will not be required to exercise "expenditure responsibility." In addition, as to any obligations you have to exercise "expenditure responsibility" at the time of the transfer, you will no longer be required to exercise "expenditure responsibility," except that you will have to comply with the information reporting requirements in section 4945(h)(3) of the Code for the taxable year of the transfer. See section 1.507-3(a)(7) of the income tax regulations.

Ruling 10:

Section 1.507-1(b)(9) of the income tax regulations states that a private foundation that transfers all its assets is required to file the annual information return required by section 6033 of the Code (Form 990-PF) for the taxable year in which the transfer occurs. Therefore, you are required to file Form 990-PF for the taxable year in which you transfer all your assets to Trust.

Section 1.507-1(b)(9) of the income tax regulations also states that a private foundation that transfers all of its assets is not required to file Form 990-PF for any subsequent taxable year if at no time during the subsequent taxable year the foundation has either legal or equitable title to any assets or engages in any activity. Therefore, if after you transfer all your assets to Trust, you have neither legal nor equitable title in any assets and you engage in no activity, you will not be required to file Form 990-PF for the taxable years following the year in which you transfer all your assets to Trust.

A tax-exempt organization that engages in a liquidation, dissolution, termination or substantial contraction is required to file information with the Internal Revenue Service with respect to such transaction with its annual information return for the period such transaction occurred. See section 6043(b) of the Code and section 1.6043-3(a)(1) of the procedure regulations. The transfer of all your assets to Trust will be a transfer described in section 507(b)(2) of the Code, i.e., a liquidation, dissolution, termination or substantial contraction of assets. Therefore, you will be required to file information with respect to this transfer with your annual information return (Form 990-PF) for the taxable year in which such transfer occurs.

Rulings:

1. The transfer of all your assets to Trust will not result in a voluntary termination, under section 507(a)(1) of the Code, of your private foundation status, and will not result in the imposition of tax under section 507(c).
2. Trust will not be treated as a “newly created organization” under section 507(b)(2) of the Code and section 1.507-3(a)(1) of the income tax regulations.
3. The transfer of all your assets to Trust will not adversely affect your status or Trust’s status as an organization described in section 501(c)(3) of the Code.
4. As a result of the transfer of all your assets to Trust, Trust will succeed to your “aggregate tax benefit,” as defined in section 507(d)(1) of the Code, but not in excess of the fair market value of the assets transferred at the time of the transfer.
5. A. The transfer of all your assets to Trust will not result in a tax liability for Trust on net investment income under section 4940 of the Code.
 B. Any tax liability on net investment income under section 4940 of the Code you incur for the taxable year in which you transfer all your assets to Trust, which arose prior to the transfer, and which you do not pay, must be satisfied by Trust.

- C. Any refund of taxes under section 4940 of the Code you may be due, Trust may not use to offset its own liability for tax under section 4040.
- 6. The transfer of all your assets to Trust will not be an act of self-dealing under section 4941 of the Code.
- 7. You are required to meet the income distribution requirements of section 4942 of the Code for the taxable year in which you transfer all your assets to Trust.
- 8. The transfer of all your assets to Trust will not be an investment that will jeopardize the exempt purposes of either you or Trust under section 4944 of the Code.
- 9.
 - A. The transfer of all your assets to Trust will not be a taxable expenditure under section 4945(d) of the Code.
 - B. As to any obligation you have to exercise expenditure responsibility under section 4945(h) of the Code at the time of the transfer, Trust will not be required to exercise expenditure responsibility.
 - C. As to any obligation you have to exercise expenditure responsibility under section 4945(h) of the Code at the time of the transfer, you will no longer be required to exercise expenditure responsibility, except for the information reporting requirements in section 4945(h)(3) for the taxable year of the transfer.
- 10.
 - A. For the taxable year in which you transfer all your assets to Trust, you will be required to include information regarding the transfer with your Form 990-PF for that year.
 - B. You will not be required to file the annual information return required by section 6033 of the Code (Form 990-PF) for any taxable year subsequent to the taxable year in which you transfer all your assets to Trust, if during the subsequent taxable years you have neither legal nor equitable title to any assets and engage in no activity.

This ruling will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this ruling with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, you should follow the instructions in Notice 437.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

This ruling is based on the facts as they were presented and on the understanding that there will be no material changes in these facts. This ruling does not address the applicability of any section of the Code or regulations to the facts submitted other than with respect to the sections described. Because it could help resolved questions concerning your federal income tax status, this ruling should be kept in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter.

In accordance with the Power of Attorney currently on file with the Internal Revenue Service, we are sending a copy of this letter to your authorized representative.

Sincerely,

Manager, Exempt Organizations
Technical Group 1

Enclosure
Notice 437