

**INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P O BOX 2508
CINCINNATI, OH 45201**

DEPARTMENT OF THE TREASURY

Date: February 23, 1998

The National Center on Philanthropy
And The Law
c/o Professor Jill S. Manny
110 W Third Street RM 206A
New York, NY 10012

Employer Identification Number:
13-3954405
DLN:
17053288026007
Contact Person:
BRENDA IVERY-RIVERS
Contact Telephone Number:
(804) 771-8243
Response Due Date:
March 16, 1998

Dear Applicant:

Before we can recognize your organization as being exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

We will be glad to consider your application when you submit the items listed on the attached sheet by the Response Due Date shown above. An extension of time to submit the requested information may be granted for good cause. If you need an extension, you must request it before the response due date.

If we do not hear from you within that time, we will assume that you do not want us to consider the matter further and will close your case. In accordance with Code section 6104(c), we will notify the appropriate state officials that we are unable to recognize you as an organization described in Code section 501(c)(3). Your user fee payment will be forfeited after 90 days and another fee will be required if you wish to re-apply at a later date.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), this may be considered as failure to exhaust administrative remedies available to you within the Service and you may lose your rights to a declaratory judgement under Code section 7428.

PLEASE ATTACH A COPY OF THIS LETTER TO ALL CORRESPONDENCE.

Please mail information requested in this letter to the following address:

Internal Revenue Service
Federal Building
400 North 8th Street Room 480
Richmond, VA 23240

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

Thank you for your cooperation.

Sincerely yours

A handwritten signature in cursive script that reads "Brenda Aey Rivers". The signature is written in black ink and is positioned above the printed name.

Exempt Organization Specialist

Enclosure:
List of Missing Items

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1. Enclosed please find Form 2848 which is being returned for the following reason:
The signature section (line 9) was not properly completed. If you wish the representatives listed to be able to discuss this application with the Internal Revenue Service, please complete line 9 properly.

We wish to call your attention to section 5 Revenue Procedure 90-27, Cumulative Bulletin 1990-1, page 514, which reads in part, as follows: "02. Exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned for carrying on the activities; the anticipated sources of receipts; and the nature of contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued."

For us to make a determination on your application you must submit a detailed description of your activities. Please see the following questions.

2. Please describe how your publishing activities further your exempt purpose. How are your publishing activities distinguishable from those of a for-profit enterprise? In addition:
 - Indicate, as a percentage or dollar amount, how much above your cost the material sells for;
 - Indicate primarily where/how these materials are sold;
 - Indicate whether such materials will be sold through bookstores;
 - Provide any other information which you feel will indicate that your publishing and distribution of printed materials are conducted in a noncommercial fashion.
3. Who will retain rights to the monographs of student articles? Will the students be entitled to receive royalties for their articles? If not, please provide a statement that all titles, copyrights, royalties or similar interests in the materials prepared for your organization's activities will be held by your organization and in its name.
4. In reference to the job placement and career counseling service provided by the Center, how is the public made aware of these services? Are there any fees charged to the individuals who utilize this service?
5. Please provide detail information regarding the fellowship program? Will the individual selected be restricted to work for entities exempt under section 501(c)(3) of the Code?
6. Line 17 on page 8 of form 1023 requires a detail schedule of compensation of officers, directors, and trustees, please provide. Who determines their salaries? Discuss the qualifications of the individuals receiving salaries for their positions. Did the current personnel service the program when it was under the auspices of New York University? Will the University continue to conduct the activities if the organization ceases? Discuss specific accomplishments of the predecessor organization in this program.

Provide a statement signed by the ENTIRE governing body that states
Any salaries, wages together with fringe benefits or other forms of compensation paid to or provided your employees, directors, or officers will not exceed a value which is reasonable and commensurate with the duties and working hours associated with such employment and with the compensation ordinarily paid persons with similar positions or duties. In addition, compensated individuals will not be allowed to vote on decisions concerning their own compensation

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7. Please explain what is meant by the terminology "chaired professorship".
8. Please provide a program from each of the three conferences sponsored by the organization. Who is allowed to attend the conference which is based on an invitation only audience?
9. Provide the required schedule in reference to line 22 of page 8 of your 1023 application, along with the schedule A attachment to the agreement contract between NYU and the Center.

In order to meet the requirements of section 501(c)(3) of the Code you must meet the organizational test prescribed by the Regulations. A review of your Articles of Incorporation indicates that an amendment is necessary to permanently dedicate your assets to the exempt purposes of section 501(c)(3) and possibly to limit your organizations powers to those within the scope of section 501(c)(3).

It should be understood that amendment of your Article of Incorporation to include the language in the Amendment Attachment is required before a determination of your exempt status under section 501(c)(3) of the Code can be made. Any deviations should be submitted to this office for approval PRIOR to actual adoption.

In order to determine if the organization powers are limited to those within the scope of section 501(c)(3) please provide copies of sections 102 and 201 of the New York State corporate law as referenced in the articles of incorporation.

Department of Treasury - Internal Revenue Service
Amendment Attachment

In order to meet the requirements of section 501(c)(3) of the Code, you must meet the organizational test prescribed by the regulations. A review of your Articles of Incorporation indicates that an amendment is necessary to:

A. Limit your purposes to those specified in section 501(c)(3) of the Code. See A Below.

B. Limit your powers to those within the scope of section 501(c)(3) of the Code. See B Below.

C. Permanently dedicate your assets to the exempt purposes of section 501(c)(3) of the Code. See C Below.

It should be understood that the amendment to your Articles of Incorporation to include the language below is required before a determination of your exempt status under section 501(c)(3) of the Code can be made. Any deviations should be submitted to this office for approval prior to actual adoption.

A. The purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

B. Notwithstanding any other provision of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

C. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Since you are incorporated, a copy of the Amendment to your Articles of Incorporation reflecting the seal and signature of the appropriate state official must be submitted within the specified time.

If more than 21 days are necessary to obtain state approval of your amended governing instruments, please contact the person whose name and telephone number are shown in the heading of this letter.