

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

OMB No. 1545-0056  
Expires 5-31-96  
If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

**A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Complete the Procedural Checklist on page 7 of the instructions.**

**Part I Identification of Applicant**

<b>1a</b> Full name of organization (as shown in organizing document) Raleigh Astronomy Club, Inc		<b>2</b> Employer identification number (If none, see instructions.) 56-1860014
<b>1b</b> c/o Name (if applicable)		<b>3</b> Name and telephone number of person to be contacted if additional information is needed  Please Note: Information Removed. Please contact RAC for more details.
<b>1c</b> Address (number, street, and room or suite no.) P.O. Box 10143		
<b>1d</b> City or town, state, and ZIP code Raleigh NC 27605		<b>4</b> Month the annual accounting period ends December
<b>5</b> Date incorporated or formed 2-4-94	<b>6</b> Activity codes (See instructions.) 123 281	<b>7</b> Check here if applying under section: a <input type="checkbox"/> 501(e)    b <input type="checkbox"/> 501(f)    c <input type="checkbox"/> 501(k)
<b>8</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>9</b> Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see instructions). <span style="float:right"><input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>		
<b>10</b> Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		

**11** Check the box for the type of organization. BE SURE TO ATTACH A CONFORMED COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING (See Specific Instructions, Part I, Line 11.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents.)

a  Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b  Trust—Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c  Association—Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**Please Sign Here** Information Removed. Please contact RAC for Details.  
..... Trustee ..... 2-13-94  
(Title or authority of signer) (Date)

**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.

- Provide 2 meetings each month; one is a lecture, the other is astronomical observing for members and guests
- Provide equipment display, lectures and exhibits one day each year at NC Museum of Natural History (Astronomy Day)
- Provide numerous lectures to public school classes through Wake County Science-Teacher Partnership
- Provide lectures to scout groups and other groups
- Provide astronomical observing time for the public at state and county parks
- Publish a quarterly newsletter for club members

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

- membership dues
- contributions

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.

We charge no admission or fee for any public activities. There is no ~~membership dues cover~~ fundraising activity and there are no solicitations for financial support.

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.

Phyllis K. Long,
Gerald F. Watson,
J. David Williams,
Lu Rene Ward,
Kerry McEhwee,

Information Removed. Please Contact RAC
for details.

trustee, co-chairperson
trustee, co-chairperson
trustee, co-chairperson
secretary
treasurer

b Annual compensation

0
0
0
0
0

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"?

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.

Meredith College of Raleigh, NC, allows use of a classroom for meetings. No rent is charged or paid.

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."

Observatory containing a 24" reflecting telescope. Telephone answering machine

- 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.

For \$1.00/year, private individual leases on 15 ft circular areas of land for observatory.

- 1 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.

Membership requires interest in astronomy or other related field.

- 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. brochures are distributed at public observing sessions and NC Museum of Natural Sciences

- c What benefits do (or will) the members receive in exchange for their payment of dues?  
access to club observatory, quarterly newsletter, voting rights

- 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

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 checked="" 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)  |
|   | <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.
- N/A

- 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? .		X	A
Is the organization, or any part of it, a school? . .		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization? .		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.? .		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . .		X	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			(e) TOTAL
	(a) From <del>2-1-94</del> to 2-13-94	(b) 19.95..	(c) 19.96....	(d) 19.....	
<b>1</b> Gifts, grants, and contributions received (not including unusual grants—see instructions) . . . . .	-0-	1,000	1,600		
<b>2</b> Membership fees received . . . . .	-0-	1025	1025		
<b>3</b> Gross investment income (see instructions for definition) . . . . .	-0-	20	20		
<b>4</b> Net income from organization's unrelated business activities not included on line 3 . . . . .	-0-	-0-	-0-		
<b>5</b> Tax revenues levied for and either paid to or spent on behalf of the organization . . . . .	-0-	-0-	-0-		
<b>6</b> 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) . . . . .	-0-	550	550		
<b>7</b> Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . . .	-0-	-0-	-0-		
<b>8 Total</b> (add lines 1 through 7) . . . . .	-0-	2195	2195		
<b>9</b> 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 . . . . .	-0-	-0-	-0-		
<b>10 Total</b> (add lines 8 and 9) . . . . .	-0-	2195	2195		
<b>11</b> Gain or loss from sale of capital assets (attach schedule) . . . . .	-0-	-0-	-0-		
<b>12</b> Unusual grants . . . . .	-0-	-0-	-0-		
<b>13 Total revenue</b> (add lines 10 through 12) . . . . .	-0-	2195	2195		
<b>14</b> Fundraising expenses . . . . .		-0-	-0-		
<b>15</b> Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .		-0-	-0-		
<b>16</b> Disbursements to or for benefit of members (attach schedule) . . . . .		-0-	-0-		
<b>17</b> Compensation of officers, directors, and trustees (attach schedule) . . . . .		-0-	-0-		
<b>18</b> Other salaries and wages . . . . .		-0-	-0-		
<b>19</b> Interest . . . . .		-0-	-0-		
<b>20</b> Occupancy (rent, utilities, etc.) . . . . .		1	1		
<b>21</b> Depreciation and depletion . . . . .		-0-	-0-		
<b>22</b> Other (attach schedule) . . . . .	16	300	300		
<b>23 Total expenses</b> (add lines 14 through 22) . . . . .	16	301	301		
<b>24</b> Excess of revenue over expenses (line 13 minus line 23)	<16>	1,894	1,894		

Revenue

Expenses

## Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date <u>2/13/94</u>
<b>Assets</b>		
1	Cash	1,387.63
2	Accounts receivable, net	- 0 -
3	Inventories . . . . .	- 0 -
4	Bonds and notes receivable (attach schedule) . . . . .	- 0 -
5	Corporate stocks (attach schedule) . . . . .	- 0 -
6	Mortgage loans (attach schedule) . . . . .	- 0 -
7	Other investments (attach schedule) . . . . .	- 0 -
8	Depreciable and depletable assets (attach schedule) . . . . .	- 0 -
9	Land . . . . .	- 0 -
10	Other assets (attach schedule) <i>observatory &amp; phone</i>	7,095
11	<b>Total assets</b> (add lines 1 through 10)	<b>8,482.63</b>
<b>Liabilities</b>		
12	Accounts payable	- 0 -
13	Contributions, gifts, grants, etc., payable	- 0 -
14	Mortgages and notes payable (attach schedule) . . . . .	- 0 -
15	Other liabilities (attach schedule)	- 0 -
16	<b>Total liabilities</b> (add lines 12 through 15)	<b>- 0 -</b>
<b>Fund Balances or Net Assets</b>		
17	<b>Total fund balances or net assets</b> <i>Cash &amp; observatory</i>	<b>8,482.63</b>
18	<b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17)	<b>8,482.63</b>
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 . . . . . <input type="checkbox"/>		

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

(Rev. July 1993)

To be used with Form 1023. Submit in duplicate.

Department of the Treasury  
Internal Revenue Service

(See instructions on reverse side.)

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,

Raleigh Astronomy Club, Inc.  
(Exact legal name of organization as shown in organizing document)  
P.O. Box 10643, Raleigh, NC 27605  
(Number, street, city or town, state, and ZIP code)

and the  
District Director of Internal Revenue, or Assistant Commissioner (Employee Plans and Exempt Organizations)

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 12/31/94  
(Month, day, and year)

Name of organization (as shown in organizing document)

Raleigh Astronomy Club, Inc

Date

2-13-94

Officer or trustee having authority to sign

Signature

Information Removed. Please Contact RAC for Details.

Title

Trustee

**For IRS use only**

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

Date

By

Date: APR 29 1994

RALEIGH ASTRONOMY CLUB  
PO BOX 10643  
RALEIGH, NC 27605

Employer Identification Number:  
56-1860014  
Case Number:  
584053051  
Contact Person:  
ROBERTA VAN METER  
Contact Telephone Number:  
(404) 331-0185  
Accounting Period Ending:  
December 31  
Foundation Status Classification:  
509(a)(2)  
Advance Ruling Period Begins:  
February 4, 1994  
Advance Ruling Period Ends:  
December 31, 1998  
Addendum Applies:  
Yes

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in section 509(a)(2).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we

RALEIGH ASTRONOMY CLUB

will no longer treat you as a publicly supported organization; grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social securities taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided; check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable

RALEIGH ASTRONOMY CLUB

cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

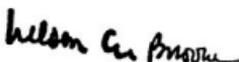
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

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

Sincerely yours,



Nelson A. Brooke  
District Director

Enclosure(s):  
Addendum  
Form 872-C

RALEIGH ASTRONOMY CLUB

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Charities Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your local IRS Office. Guidelines for deductible amounts are also set forth in Revenue Ruling 67-246, 1967-2 C.B. 104 and Revenue Procedure 90-12, 1990-1 C.B. 471 and Revenue Procedure 92-49, 1992-26 I.R.B. 18.