

Department of the Treasury

Internal Revenue Service
Washington, DC 20224

EIN 23-1731998 DO 23

3/21/73 MAR 21 1973

In reply refer to:
T:MS:EO:R;4Foreign Policy Research
Institute3508 Market Street, Suite 350
Philadelphia, Pennsylvania 19106

Gentlemen:

This is in reply to your letter dated December 21, 1972, signed by Mr. David E. Seymour, concerning the foundation classification of Foreign Policy Research Institute.

The information submitted by your letter of December 21, 1972, presents the following facts relevant to the foundation classification of Foreign Policy Research Institute.

The Foreign Policy Research Institute was incorporated on June 2, 1970, and for the remainder of that year the Institute operated as an integral part of the University of Pennsylvania. The Institute has been an independent organization since January 1971.

The aggregate financial support of the Institute for its two tax years ending November 30 of 1971 and 1972 includes the following: (a) contributions of \$115,377.74 after application of the two percent of total support limitation and membership fees of \$2,600, which two items when added produce a numerator of \$117,977.74 in the support fraction, and (b) gross income of \$18,195.11 from sources unrelated to the exempt purposes and contributions of \$729,542.76 in excess of the two percent limitation, which two items when added to the numerator produce a denominator of \$865,715.61 in the support fraction. Thus, the ratio of the numerator to the denominator in the support fraction equals at least ten percent in this case.

Foreign Policy Research Institute

✓ The Institute has a program to solicit funds of the type which will qualify as public support. The Institute distributes its annual report on a wide basis to interested individuals and groups. Since September 1971 the Institute has offered associate membership to individuals in the public at large who contribute at least \$100 to the Institute, and this program has attracted such members. Since February 1973 the Institute has sought members from the public under a \$20 membership plan.

The following facts and circumstances are also taken into consideration as relevant to the public support of the Institute. The public support fraction is 13.6%. The two percent of total support limitation in this case applies presently only to contributions exceeding \$17,314.31. The Institute has already received contributions of \$729,542.76 in excess of the two percent limitation. ✓ The Institute is not financed primarily by investment income. The sources of support indicate that persons, representative of the public, are interested in supporting the Institute. The governing body of the Institute includes persons possessing expertise in international affairs and is also representative of the community. The Institute provides a service to the general public on a continuing basis through its numerous publications and other activities which produce a wide and varied dissemination of information to the public.

* Based upon the information submitted, we find that the Foreign Policy Research Institute satisfies the requirements of Regulation 1.170 A-9 (e) concerning the definition of a publicly supported organization.

* Accordingly, we rule that the Foreign Policy Research Institute is an organization described in section 170 (b)(1)(A)(vi) of the Internal Revenue Code and is not a private foundation because of section 509(a)(1) of the Code.

Foreign Policy Research Institute

* We also rule that the Institute has been an organization described in section 170(b)(1)(A)(vi) from the date of its incorporation on June 2, 1970. Also, our ruling dated December 2, 1970, to the extent that it held the Institute to be a private foundation, is hereby modified.

In accordance with your request and since the Institute is not a private foundation, we hereby withdraw your request for classification as a private operating foundation. That request was submitted by your letter dated March 15, 1971, signed by Mr. David E. Seymour.

Since you are not a private foundation, you are not subject to the excise taxes of Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Any changes in your character, method of operation, or the nature or extent of your public support should be reported to the District Director, Philadelphia, which is your key district for exempt organization matters.

Sincerely yours,

Milton Cerny

Milton Cerny
Chief, Rulings Section
Exempt Organizations Branch

Cum Let pg 620 9/92

Treasury Department

Entered in PCG

This is current per
Lynn Smith of FPRI
10/29/93.



Internal Revenue Service

Washington, DC 20224

Date:

DEC 2 1970

In reply refer to:

T:MS:EO:R:1-MFM

Foreign Policy Research Institute
Room 7, Holly Building
Narberth, Pennsylvania 19072

Gentlemen:

Prior to your incorporation, The Trustees of the University of Pennsylvania carried out an activity known as the "Foreign Policy Research Institute (of the University of Pennsylvania)" and as "University of Pennsylvania Foreign Policy Research Institute". On June 2, 1970, you were organized as a separate entity under the Delaware corporation law to operate independently from the university. According to your Certificate of Incorporation, your purposes are exclusively charitable, scientific, literary, and educational.

Based on information supplied, and assuming your operations will be as stated in your exemption application, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Any change in your purposes, character, or method of operation must be reported to the District Director, Philadelphia, Pennsylvania, which is your key district for exempt organization matters, so he may consider the effect of the change on your exempt status. You must also report any change in your name and address.

We further rule that you are a private foundation as defined in section 509(a) of the Code. In this ruling we are not determining whether you are an operating foundation as defined in section 4942(j)(3) of the Code.

You are required to file the annual return, Form 990, on or before the 15th day of the 5th month after the end of your annual accounting period, which ends August 31. Failure to file the Form 990 by this date may subject you to a penalty of \$10 for each day during which such failure continues, up to a maximum of \$5,000.

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. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Foreign Policy Research Institute

You are liable for social security (FICA) taxes only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act. You are not liable for Federal unemployment taxes.

Donors may deduct contributions to you, as provided by section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 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 exemption application, a number will be assigned to you and you will be advised of it. Please use that number on all returns and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. If you have any questions, please contact him.

Thank you for your cooperation.

Sincerely yours,

Linder Hamblen

Director, Miscellaneous and
Special Provisions Tax Division