

RECEIVED JUL 25 1984

Internal Revenue Service  
District Director

Department of the Treasury

PRO DEMCA

Date: July 20, 1984

Entered in PCG

Employer Identification Number:

Accounting Period Ending:  
December 31

Foundation Status Classification:  
509(a)(1) & 170(b)(1)(A)(vi)

Advance Ruling Period Ends:  
December 31, 1985

Person to Contact:  
R. D. Morris  
Contact Telephone Number:  
1-800-424-1040

► The Citizens' Committee for the  
Pro-Democratic Coalition in  
Central America  
1901 N. Fort Meyer Drive, Suite 202  
Arlington, VA 22209

Dear Applicant:

Based on information 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(c)(3) of the Internal Revenue Code.

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 be expected to be a publicly supported organization described in section 509(a)(1) and 170(b)(1)(A)(vi)\*.

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

Within 90 days after the end of your advance ruling period, you must submit to us 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, you will be classified 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, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section \* organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section \* status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section \* organization.

P.O. Box 13163, Baltimore, MD 21203

(over)

Letter 1045(DO) (6-77)

If **your** sources of support, or your purposes, character, or method of operation change, **please** let us know so we can consider the effect of the change on your exempt ~~status~~ **status** and foundation status. Also, you should inform us of all changes in your ~~name~~ **name** or address.

**Generally**, you are not liable for social security (FICA) taxes unless you file a waiver ~~of~~ **of** exemption certificate as provided in the Federal Insurance Contributions Act. **If** you have paid FICA taxes without filing the waiver, you should call us. You are not ~~liable~~ **liable** for the tax imposed under the Federal Unemployment Tax Act (FUTA).

**Organizations** that are not private foundations are not subject to the excise taxes **under** Chapter 42 of the 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 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.

You are required to file Form 990, Return of Organization Exempt from Income Tax, **only** if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

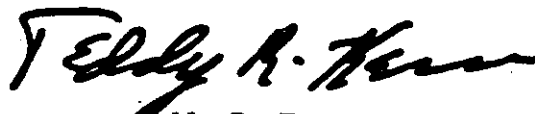
You are not required to file Federal income tax returns unless **you** are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities 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, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help 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,



Teddy R. Kern  
District Director

The attached caveats are an integral part of this letter

cc: Jeffery L. Yablon  
c/o Shaw, Pittman, Potts & Trowbridge  
1800 M Street, NW  
Washington, DC 20036

Letter 1045(DO) (6-77)

For tax years ending before December 31, 1982, you must file Form 990, Return of Organization Exempt from Income tax, only if your gross receipts each year are normally more than \$10,000. For tax years ending on and after December 31, 1982, you are required to file Form 990 only if your gross receipts are normally more than \$25,000. For guidance in determining whether your gross receipts are "normally" more than \$25,000, see the instructions for the 1982 Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10.00 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for delay.

Beginning January 1, 1984, unless specifically excepted, you must pay taxes under the Federal Insurance Contributions Act (Social Security taxes) for each employee who is paid \$100 or more in a calendar year.

You claimed to be an organization described in section 509(a)(2). Based on information you submitted, however, you can reasonably be expected to qualify as an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi). You will therefore be treated as a 509(a)(1) organization during the advance ruling period indicated in this letter.

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Note: the Advance ruling period for a publicly supported organization noted in this letter ended on December 31, 1985. All materials needed for Prodemca to meet the IRS requirements for a publicly supported organization have been supplied to the IRS, but delays in processing these materials have prevented IRS from issuing a favorable determination. IRS has, however, notified our accountants (Kaufman, Rosenblum and Shapiro, P.A. 301/657-1910) that Prodemca may continue to operate as a publicly supported organization until further notice from IRS.

-- Penn Kemble  
President