

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Entered in PCG

The Devereux Foundation
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Person to Contact:

Telephone Number:

Refer Reply to:
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Date:

SEP 8 1987

Ladies and Gentlemen:

This is in response to your letter of April 23, 1987 and subsequent submissions requesting a ruling under section 501(f) of the Internal Revenue Code.

Our records show that you have been granted exemption under section 501(c)(3) of the Code and that you have been classified as other than a private foundation under sections 509(a)(1) and 170(b)(1)(A)(iii). You operate facilities for the treatment and education of emotionally disturbed children throughout the country. Your facilities are used to provide education for grades 1 through 12. These educational facilities are operated in a manner similar to a public school system. The main difference being that the education you provide is for emotionally disturbed children. You maintain your own faculty, and formal instruction and a curriculum are used. You have submitted evidence that the presentation of formal instruction is your primary function. The majority of your expenditures are made for your educational staff.

The Common Fund has been classified as a "cooperative service organization" under section 501(f) of the Code. You have indicated that you wish to be considered as being described in section 501(f)(3) of the Code so as to be able to participate in an investment pool operated by the Common Fund.

Section 501(f) of the Code provides that cooperative service organizations of operating educational organizations shall be treated as an organization organized and operated exclusively for charitable purposes.

Section 501(f)(3) of the Code provides, in part, that "cooperative service organizations" must be comprised solely of members that are organizations described in clause(ii) or (iv) of section 170(b)(1)(A).

An educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on is described in section 170(b)(1)(A)(ii) of the Code.