

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Entered in PCG

Ms. Anne B. Pope
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue, N.W.
Washington, DC 20006

Person to Contact: Donna M. Hudson

Telephone Number: (202) 566-3570

Refer Reply to: E:O:S

Date:

JAN 12 1989

Re: Kasten Leadership Foundation
EIN 54-1397516

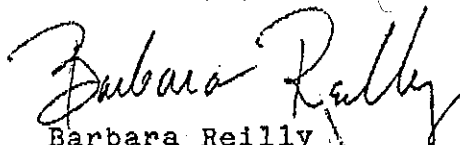
Dear Ms. Pope:

This is in response to your letter of January 6, 1989, in which you brought to our attention a correction which should be made in the Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986 (Publication 78), involving the name of the above-referenced organization. You stated that the name of this organization, which has been listed as Kasten Leadership Foundation, should be changed to the Legislative Studies Institute.

We have made the correction to your client's name on our computer master file and it will be listed in either the Addendum or the basic alphabetic text of our next quarterly supplement to Publication 78, revised to February 28, 1989. This name change does not affect your client's tax-exempt status; however, your client's Key District Director should be kept informed of any future changes in their name, sources of support, purposes, character or methods of operation so that he may consider the effect of the change on their exempt status.

If you have any questions regarding this matter, please refer them to the person whose name appears in the heading of this letter.

Sincerely yours,



Barbara Reilly
Chief, Employee Plans and
Exempt Organizations
Support and Services Branch

Brigg

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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The Kasten Leadership Foundation
1023 Springvale Road
Great Falls, VA 22066

Person to Contact: Steve Jankowitz

Telephone Number: (202) 566-4754

Refer Reply to: E:EO:R:4:CL

Date: MAR 28 1988

Employer Identification Number: 54-1397516
Key District: Baltimore
Accounting Period Ending: December
Foundation Status Classification: 509(a)(1) and 170(b)(1)(A)(ii)

Dear Applicant:

We have now considered all the information submitted regarding your application for exemption from federal income tax under section 501 (c)(3) of the Internal Revenue Code.

Our ruling letter of December 10, 1987, held that you did not qualify for recognition of exemption because you had not fully described your proposed operations in sufficient detail to permit a conclusion that you will clearly meet the particular requirements of section 501(c)(3) of the Code. We stated that your organization failed to provide the standards, criteria, procedures or other means planned for carrying out your proposed training, research, and publication activities. We further stated that you did not fully describe your anticipated sources of receipts.

You submitted a protest on February 4, 1988, which included additional information concerning your organization's proposed activities. The new information provides your proposed criteria for selection of students into your program, your plans for solicitation of students, your proposed criteria for hiring teachers for your program, a description of your proposed classes and curriculum, a description of your expected activities in research and publication, and your anticipated sources of receipts.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable and educational purposes.

Revenue Procedure 84-46, 1984-2 C.B. 542, section 5.02, provides that 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.

The Kasten Leadership Foundation

The recently submitted information provides sufficiently detailed descriptions of your proposed operations to permit the conclusion that you will meet the requirements of section 501(c)(3) of the Code.

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.

We have further determined that you are not a private foundation within the meaning of Code section 509(a), because you are an organization described in the sections of the Code shown above.

If your sources of support, or your purposes, character, or methods of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, 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 are not required to pay tax under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you 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 questions about excise, employment, or other federal taxes, contact your key District Director.

Donors may deduct contributions to you as provided in Code section 170. 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.

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 \$25,000. If your gross receipts are not normally more than \$25,000 we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first tax year. Thereafter, you will not be required to file a return until your gross receipts normally exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the 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. There is

The Kasten Leadership Foundation

a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late unless you establish, as required by section 6652(d)(1), that the failure to file timely was due to reasonable cause.

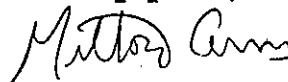
You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining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

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. 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 about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely yours,



Milton Cerny
Chief, Exempt Organizations
Rulings Branch