

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: JUL 13 1993

THE FONDO QUISQUEYA FOUNDATION
C/O MINOR W ANDERSON PRESIDENT
1911 WINDSOR ROAD
ALEXANDRIA, VA 22307

Employer Identification Number:
54-1637962

Contact Person:
MRS. L. J. DEELEY

Contact Telephone Number:
(410) 962-4773

Accounting Period Ends:
December 31

Form 990 Required:
YES

Addendum Applies:
YES

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(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

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 and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration 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).

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 any questions about excise, employment, or other Federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor 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, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Letter 947(00/CG)

THE FONDO QUISQUEYA FOUNDATION

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 Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors 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. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, 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 a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged 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, 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.

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

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

THE FONDO QUISQUEYA FOUNDATION

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

Sincerely yours,



District Director

Enclosure(s):
Addendum

THE FONDO QUISQUEYA FOUNDATION

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selections, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306). Scholarships in the form of tuition waivers would be considered distributions to individuals for this purpose.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a 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.

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1929, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

FONDO QUISQUEYA FOUNDATION, INC.
1911 Windsor Road
Alexandria, Virginia 22307

June 25, 1993

Internal Revenue Service
District Director
31 Hopkins Plaza
Baltimore, Maryland 21201

Contact Person: Mrs. L. J. Deeley

Re: Fondo Quisqueya Foundation, Inc., Employer
I. D. Number 54-1637962

Dear Mrs. Deeley:

Reference is made to the Internal Revenue Service's ("IRS") June 7, 1993 letter to the Fondo Quisqueya Foundation ("Fondo Quisqueya" or the "Fondo") requesting additional information regarding Fondo Quisqueya's April 29, 1993 application for an advanced ruling for tax exempt status under section 501(c)(3) of the Internal Revenue Code. Reference is also made to our telephone conversation on the morning of June 16, 1993 in which you stated that the citation to IRS Code section 151(e)(4) in question number 6 of Attachment 1 to the IRS's June 7, 1993 letter is a typographical error and should be section 170(b)(1)(A)(ii); and in which you also stated that if the Fondo previously supplied documentary information to the IRS in the Fondo's April 29, 1993 application which is requested in the IRS's June 7 letter, that the Fondo merely needs to cite that information in this response, rather than resupply it.

The following responds to each of your questions. If you need further clarifying information, please contact me at (202) 458-3416.

A. Requests from page 3 of the IRS's June 7, 1993 letter to Fondo Quisqueya:

1. IRS Request: Provide us with a sample copy of the Fondo literature passed out at P. C. orientations:

a. The Fondo's Response: Information about Fondo Quisqueya is incorporated into the in-country training for U. S. Peace Corps Volunteers in the Dominican Republic. No printed information, other than copies of our newsletter, is passed out. A copy of one of our newsletters is contained in Attachment C to our April 29, 1993 request to the IRS for an advanced ruling for tax exempt status.

2. IRS Request: Provide us with a sample copy of the applications:

a. The Fondo's Response: The Fondo does not use a pre-printed application form. Rather, we ask each applicant to submit a letter stating: why he/she wants the grant; with what activities he/she has been involved in his/her community; and his/her future plans. We also request a letter of recommendation from a U. S. Peace Corps Volunteer stating why, in the Volunteer's opinion, the applicant is deserving of the grant.

3. IRS Request: Provide us with clear and full answers to the Questions on Attachment 1:

a. The Fondo's Response: We have attempted to do so. However, if you need any further information or have any questions, please contact Louis G. Ferrand, Jr. at 414 Rucker Place, Alexandria, Virginia, 22301, or telephone him during normal business hours at (202) 458-3416.

4. IRS Request: Provide us with a copy of the two most recent minutes of meetings:

a. The Fondo's Response: Attached to this letter in Attachment 1 are copies of two of our most recent meetings. I was unable to locate the minutes of our most recent meeting.

5. IRS Request: Provide us with clear and full answers to the Attachment Number 2:

a. The Fondo's Response: We have attempted to do so. However, if you need any further information or have any questions, please contact Louis G. Ferrand, Jr. at 414 Rucker

Place, Alexandria, Virginia, 22301, or telephone him during normal business hours at (202) 458-3416.

6. IRS Request: Provide us with a complete description of the educational or training programs that will be offered (what will be taught, who will act as instructors or trainers, etc.):

a. The Fondo's Response: The Fondo does not currently offer and does not plan to offer any educational or training programs.

7. IRS Request: What methods will be used to place individuals in jobs?:

a. The Fondo's Response: None. The Fondo is not involved in job placement, and it does not plan to be involved in job placement.

8. IRS Request: Will the organization carry out activities through working directly with low income Dominicans or will its activity be limited to assistance to groups who work with these persons? Please explain:

a. The Fondo's Response: We work directly with low income Dominicans. See, also, our response to the IRS Request in item number 2, above.

B. IRS Attachment No. 1 - "SCHOLARSHIPS" to the IRS's June 7, 1993 letter to Fondo Quisqueya:

1. IRS Request no. 1: Please describe the class of eligibles, or potential recipients, of your organization's grants. Indicate whether there are any restrictions or limitations on who may make applications or who your organization will consider as possible grantees:

a. The Fondo's Response: In order to receive a grant from Fondo Quisqueya, the individual must be a resident of the Dominican Republic, of low income, who wishes to better his/her life situation through education or training or the start of a small business in the Dominican Republic. Grants are not available for study outside the Dominican Republic, and they are normally limited to no more than \$250. See Attachment E to our April 29, 1993 request to the IRS for an advanced ruling for tax exempt status, for a listing of the grants given by the Fondo.

The largest to date was for \$3,125 Dominican Pesos, which approximates "\$250 U.S. dollars.

2. IRS Request no 2: Who makes the selection of eventual recipients from the class of eligibles? Be specific! If these people are related, in any way, to your organization, give complete details:

a. The Fondo's Response: Once an application and a letter of recommendation have been submitted as described in our response to Item number A,2, above, a Fondo Quisqueya screening committee in the Dominican Republic composed of Mr. Mike Benson (who works for Apple Computer), Mr. John Siebel (who works for the Entrena Company), and Mr. Jerry Dupuy (who works for the Barceló Company) meets to consider each application. All three men are volunteers. See, also, attachment 2, hereto

3. IRS Request no. 3: Please list and describe, in detail, all criteria used by your selection committee in selecting recipients from the class of eligibles:

a. The Fondo's Response: Please see our responses to Items B, 1 and 2, above. The selection committee tries to determine if the applicant appears to be deserving, and if the committee has questions, it contacts the Peace Corps Volunteer who wrote the letter of recommendation. To date, the committee has not had to refuse eligible applicants who otherwise met the selection criteria.

4. IRS Request no. 4: Will any grants be made to spouses, children, descendants, spouse of children or descendants, or other persons disqualified in relationship to your organization, its directors or officers?:

a. The Fondo's Response: No.

5. IRS Request no. 5: Describe how the scholarship program is publicized to ensure that all eligible individuals are reasonably likely to be informed of the availability of scholarship aid:

a. The Fondo's Response: We primarily use U. S. Peace Corps Volunteers to publicize the availability of the grants. They provide a mechanism to ensure that deserving individuals are selected.

6. IRS Request no. 6: Will all grants be limited to students who will be attending "educational institutions" as defined in section 170(b)(1)(A)(ii) of the Code?:

a. The Fondo's Response: No. While some of our grants will be used by low-income Dominicans to further their educational objectives through money for things such as school uniforms, books, shoes, and tuition, other grants will be used to assist low-income Dominicans in purchasing equipment necessary to start small businesses such as a shoe repair business. In this regard, please also see Part II, Item No. 1, of our 501(c)(3) application on Form 1023.

7. IRS Request no. 7: Will your organization provide aid to students both as outright grants, and as loans? If both outright grants and loans are to be provided, what criteria will be used to determine which members of the class of eligibles will receive scholarship grants, and which others will receive loans. If scholarship aid other than outright grants is to be given, describe the interest rates (if any) applicable to any loans to be given, how such interest rates are determined, and the terms of repayment of such loans:

a. The Fondo's Response: As explained in response to item B, 6, above, and in Part II, Item No. 1 of our 501(c)(3) application, our grants are not limited to students. We do not plan to give any loans.

8. IRS Request no. 8: Please explain, in detail, what follow-up procedures you have to ensure that all scholarship funds will be used for the stated purpose:

a. The Fondo's Response: We rely on the Peace Corps Volunteers to inform us if the money does not appear to have been used for its stated purpose. To date, this has not been a problems, primarily, we believe, because of the screening process requiring a letter of recommendation from the Peace Corps Volunteer.

¹ As stated on page 1, above, although the IRS's June 7, 1993 letter to Fondo Quisqueya referred to section 151(e)(4) of the IRS Code, the correct cite is to section 170(b)(1)(A)(ii) of the Code.

9. IRS Request no. 9: Please explain, in detail, the procedures you will follow if you discover a misuse of these funds:

a. The Fondo's Response: We will contact the grant recipient and attempt to obtain return of the Fondo's money.

10. IRS Request no. 10: Will income be paid to the individual students or will it be paid directly to the school the student will be attending?:

a. The Fondo's Response: All of our grants go directly to the individual. As explained in response to item B, 6, above, not all grant recipients are students but may include persons who wish to buy equipment in order to start a small business.

11. IRS Request no. 11: When did the organization begin giving scholarship aid? How many scholarships have been given? Please provide a list of all grant recipients together with an indication of how much money was received by each recipient:

a. The Fondo's Response: Our first grant was given on December 18, 1989 to Mr. Juan Monton to attend a drafting school in Santiago, Dominican Republic. Mr. Monton received \$500 in Dominican pesos which is approximately \$40 U. S. dollars. To date, the Fondo has given eighteen grants. A list of grant recipients and the amount granted in Dominican pesos with the approximate value of the grant in U.S. dollars, is contained in Attachment E to the Fondo's April 29, 1993 application under section 501(c)(3).

12. IRS Request no. 12: If payments are made directly to the individual grantee (rather than to the institution he or she attends), you are required to acquire a report, on at least an annual basis, describing the grantee's courses and grades and/or his or her progress on research projects. A final report is also required. These reports must be verified by the educational institution attended. Will you comply with these requirements?:

a. The Fondo's Response: Yes, where an individual grantee attends an educational institution, we will attempt to obtain the requested information.

C. IRS Attachment No. 2 - "PUBLISHING" - to the IRS's June 7, 1993 letter to Fondo Quisqueya:

1. IRS Request no. 1: Explain exactly how your organization's publishing activities meet each of the items (a) - (d), above. Do not make general statements.

a. The Fondo's Response: The Fondo has no publishing activities, and we have no plans to do any publishing. We do have a newsletter that we occasionally send out at no cost to interested persons. A sample of our newsletter was enclosed in Attachment C to our April 29, 1993 application to the IRS for an advanced ruling.

2. IRS Request no. 2: Who has/will write the material? What are their qualifications?

a. The Fondo's Response: See our response to IRS Request no. 1, above. Our newsletter is written by volunteers.

3. IRS Request no. 3: Who chooses the articles/works/projects to be published? ON what basis are they chosen? What are the qualifications of those choosing the works? Are members of this selection committee eligible to have their own material published.

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya since we not have a publication. See our responses to IRS Request nos. 1 and 2, above.

4. IRS Request no. 4: Will you publish the works of unknown artists/writers? IF one work is chosen, are they again eligible to have work published or are they restricted to one piece?

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

5. IRS Request no. 5: Will you publish the works of officers or directors of the organization.

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

6. IRS Request no. 6: Explain fully the nature of your publishing operation. Include information as to who prints the material, how often it is printed, and where it is printed.

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

7. IRS Request no. 7: Explain all methods by which your publication will be distributed. Will any materials be distributed free of charge? If so, to who, How can the free material be requested and how is its availability made known to the public? Will your publication be sold through stores? If so, to what stores specifically? Are they all for-profit entities or will non-profit bookstores be included?

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

8. IRS Request no. 8: Will your material be sold by subscription? if so, how do you make the public aware of its availability? What are your subscription rates? On what basis are they determined? How do they compare wit a similar commercial publication's rates?

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

9. IRS Request no. 9: Describe your methods of marketing your publication. Submit sample copies of any advertising you will use:

a. The Fondo's Response: This question is not applicable to Fondo Quisqueya. See our responses to IRS Request nos. 1 and 2, above.

10. IRS Request no. 10: Will you sell advertising space in your publication? IF so, at what rates? How do these rates compare to those charged by a for-profit publication of the same approximate size and distribution? How will advertising be solicited? is it solicited by someone in a paid position? What percentage of the total publication is made up of advertisements?:

a. The Fondo's Response: No. We do not currently sell advertising space in our newsletter, and we have no plans to do so in the future.

11. IRS Request no. 11 : What is the charge for your publication? Are there lesser charges for students or senior citizens? On what basis was your charge decided? Is the charge at cost, less than, or greater than the cost of publishing your material? Show how you determined this:

a. The Fondo's Response: None. As stated above, we periodically send out a newsletter for which there is no charge.

12. IRS Request no. 12: Is your publication of interest to the general public or only to a limited group of persons:

a. The Fondo's Response: As stated above, we periodically send out a newsletter. We think that the Fondo's purposes, and thus its newsletter reporting on its activities, is primarily of interest to all present and former U. S. Peace Corps Volunteers and staff who served in the Dominican Republic. It may also have some interest for certain members of the general public.

13. IRS Request no. 13: Will your publication be copyrighted? If so, in whose name will the copyright be held? If royalties are received, how will they be distributed? Will any distributions be made to the officers or directors of the organization? If so, explain in detail:

a. The Fondo's Response: We have no plans to copyright our newsletter.