INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
1100 COMMERCe STREET  
DALLAS, TX 75242-0000  

Date: FEB 01  1994  

SAN ANTONIO AREA FOUNDATION  
808 TRAVIS BLDG  
SAN ANTONIO, TX 78205  

Employer Identification Number:  
74-6065414  
Case Number:  
752191046  
Contact Person:  
SHARI FLOWERS  
Contact Telephone Number:  
(214) 767-6023  
Accounting Period Ending:  
September 30  
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.

Donors may deduct contributions to you as provided in section 170 of the
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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 pur-
chases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circum-
on page 104. which sets forth guidelines regarding the deductibility, as chari-
table 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 per-
cent 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 unre-
lated 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.

We have sent a copy of this letter to your representative as indicated in
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your power of attorney.

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

Sincerely yours.

[Signature]
Gary G. Booth
District Director
SAN ANTONIO AREA FOUNDATION

This letter supersedes our letter dated February 6, 1987, in which you were classified as an organization described in section 509(a)(3) of the Internal Revenue Code.