

1st Letter

**Internal Revenue Service  
Director, Exempt Organizations**

**Department of the Treasury  
P.O. Box 2508 - Room 4508  
Cincinnati, Ohio 45201**

Date: April 21, 2004

Lifeline Ministries Inc  
C/O Alei  
255 Valle Verde PL  
Bosque Farms, NM 7068

**Employer Identification Number:**

30-0218896

**Person to Contact - ID#:**

David Doeker 31-03150

**Contact Telephone Numbers:**

513-263-3613 Phone

513-684-6939 FAX

**Response Due Date:**

05-12-04

Dear Sir or Madam:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

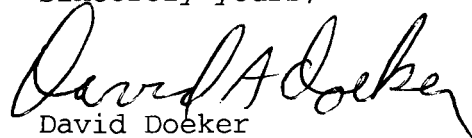
To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

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

Sincerely yours,



David Doeker  
Exempt Organizations Specialist

Enclosure

Letter 1312 (DO)

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Note: Your response to this letter must be submitted over the signature of an authorized person or of an officer whose name is listed on page 3 of the application. If we do not receive your complete response by the due date, we will close your case temporarily. If you submit your response within 90 days after your case has been closed, we will re-open it for processing and you will neither have to file a new application nor lose your user fee.

PLEASE ATTACH A COPY OF THIS LETTER TO ALL CORRESPONDENCE.

Additional Information Requested:

1. In order to meet the organizational test for exemption under section 501(c)(3), your organizational document, Articles of Incorporation, must be amended to include the following provisions:
  - a. Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.
  - b. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.
  - c. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to

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such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

PLEASE SUBMIT A COMPLETE COPY OF THIS AMENDMENT. SINCE YOU ARE INCORPORATED IN THE STATE OF NEW MEXICO, THE COPY YOU SUBMIT TO US MUST SHOW THAT IT HAS BEEN PROPERLY FILED AND APPROVED BY YOUR APPROPRIATE STATE AGENCY. WE CANNOT ACCEPT A COPY STAMPED "RECEIVED".

2. The description of your activities provided in your application is not detailed enough to make a determination of your exempt status. Please provide a detailed description of your past, present, and future activities. Please submit a list showing each activity you have conducted, currently conduct or plan to conduct. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Please provide us with the following information:
  - a) A detailed description of the activity including its purpose and how each activity furthers your exempt purpose.
  - b) Indicate the percentage of time devoted to each activity, that is the proportion of time represented by each specific activity as a fraction of the total time devoted to all activities. Please note that the total time devoted to all activities should equal 100%.
  - c) Explain when the activity was or will be initiated.
  - d) Describe where each activity will be conducted.
  - e) Describe who will conduct the activity.
  - f) For each activity, please provide representative copies of printed materials such as brochures, flyers and pamphlets, etc., that describe the activity to the public, members of the organization or other interested parties.

Note: Do not simply refer to or repeat the language in the organizational document. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. We require a full and complete detailed description of all of the activities of the organization.

3. Depending on the information submitted about your activities, your organization may better be described as those of a religious organization or evangelistic organization than a church. ✓

In American Guidance Foundation v. U.S., 490 F. Supp. 304 (D.D.C. 1980), the court said that, at a minimum, a church must include a body of believers that assemble regularly in order to worship. It must also be reasonably available to the public in the conduct of worship, in its

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educational instruction, and in its promulgation of doctrine. An organization of a few family members who attend worship services at a relative's apartment was held not to be a church under sections 509(a)(1) and 170(b)(1)(A)(i) because it did not meet these requirements. In addition, it was held that when the assets of an organization are used to pay for the living expenses of an individual(s) denial of exemption is appropriate.

Generally, there are fourteen criteria used in determining whether or not an organization qualifies as a church. These criteria are as follows:

- a. A distinct legal existence
- b. A recognized creed and form of worship
- c. A definite and distinct ecclesiastical government
- d. A formal code of doctrine and discipline
- e. A distinct religious history
- f. A membership not associated with any other church or denomination
- g. Ordained ministers ministering to its congregation
- h. Ordained ministers selected after completing prescribed studies
- i. Literature of its own
- j. Established place of worship
- k. Regular congregation
- l. Regular religious services
- m. Sunday schools for religious instruction of the young
- n. Schools for the preparation of ministers

It appears the proper classification of your organization may be as an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

You stated that you do not have a formal membership, services are not on a regular scheduled, no established place of worship etc.

Note: This classification will not affect your exemption under section 501(c)(3) of the Code.

If you agree, please submit a signed statement saying that you withdraw your request for classification as a church and request exemption as a religious or evangelistic organization.

You must also correct page 6, question 9 and page 7 question 14 and correct Form 872-c, ending date of your first tax year should be 12/31/3.

4. If you wish to pursue your request for exemption as a church within the meaning of sections 509(a)(1) and 170(b)(1)(A)(i) of the Code, please furnish the information requested in the items listed below:

State whether you regularly provide formal religious instruction. If so, describe the training and indicate to whom it is provided.

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Describe in detail all properties you own and indicate how each property is used. If the property is used for both church and non church affairs, show the percentage of each kind of use. For each property that generates rental or other income, show the kind and annual amount of that income.

Provide copies of all leases, contracts, and rental, loan or financing agreements you have entered into.

Describe your place of worship, giving the following information:

The address of the property;  
The name of the owner; and,  
A description of the property.

State whether any individual receives or will receive a parsonage allowance. If so, explain in detail the circumstances under which it is or will be given.

Provide copies of all your literature, bulletins, brochures, pamphlets, and advertising.

List the religious services you have conducted since your inception and the approximate number of people attending each service.

State whether any of your officers, directors, or trustees have business relationships with you or financial interests in businesses that do business with you.

List the religious services, benefits, or products (for example, religious goods, publications, instructions, or ordination certificate) you provide that are related to your religious functions.

State whether anyone will use your facility other than for directly carrying out your work. Will any of your directors or employees reside at to you in any way, other than as a landlord?

Give the present size of your congregation.

List any controls the congregation has over the pastor or any voice it has in choosing the pastor.

How many members do you hope to have once your church is fully established? What specific efforts will you use to attract new members? How and when? How has your organization grown since you began operations? Explain to what extent your membership has changed since you began operations.

How many participants will your present facility hold?

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How many of your current members are related to each other by blood or marriage? Please identify the members and their relationship.

5. Your organization was incorporated in 2003. Please provide financial information on the enclosed blank page 8 for the following periods:
- a. actual financial information for 2003
  - b. proposed financial budget 2004 and 2005

Note: Proposed budgets must include sources and amounts of expected revenues and expenses.

The financial data should be submitted according to the month your annual accounting period ends.

6. The user fee payment that was submitted with your request was for \$150. When preparing your financial statements, please determine whether your gross income has exceeded or is expected to exceed \$10,000 annually. If so, you will owe another \$350 for a total of \$500.

We recommend payment by certified check, cashiers check or money order. Otherwise, the determination letter may be held for an additional 30 days for the check to clear the bank.

PLEASE DIRECT ALL CORRESPONDENCE REGARDING YOUR CASE TO:

US Mail:  
Internal Revenue Service  
Exempt Organizations  
P. O. Box 2508  
Cincinnati, OH 45201  
ATT: David Doeker  
Room 4504

Federal Express:  
Internal Revenue Service  
Exempt Organizations  
550 Main St, Federal Bldg.  
Cincinnati, OH 45202  
ATT: Agent David Doeker  
Room 4504