

Address any reply to: 17 N. Dearborn St., Chicago, Ill. 60602

Department of the Treasury

31-2540277

District Director

Internal Revenue Service

Date: **FEB 28 1973** | In reply refer to: **CHI-EO-73-66**

A:F:211: (MM)

▷ Delta Mu Delta Honor Society
c/o Miss Genevieve H. Duffin
1736 East 84th Place
Chicago, Illinois 60617



Your application for a change of exempt status from a social organization under Section 501(c)(7) of the Internal Revenue Code to a charitable and educational organization under Section 501(c)(3) of the Code has been considered.

Your purpose was to encourage higher scholarship, promote friendship, coordinate standards facilitate communication, render aid to all existing chapters and to approve the constitutions of new chapters. You have amended your purposes to restrict such purposes to charitable and educational within the meaning of Section 501(c)(3) of the Code, including, but not limited to the granting of scholarships to deserving students, and to the encouragement and recognition of higher scholastic standing.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption of: corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date, we have concluded that you are exempt from Federal income tax since you are organized for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

The ruling letter issued to you May 11, 1965 is hereby modified to change

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the section of the law which describes your organization from 501(c)(7) to 501(c)(3) of the Internal Revenue Code and to provide for the deductibility of contributions.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship, if any, to members, officers, trustees or donors of funds to you, in order that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, Cumulative Bulletin 1956-2, page 306.)

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes 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 12 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

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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. 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.

Please keep this determination letter in your permanent records.

Sincerely yours,

Roger C. Beck

Roger C. Beck
District Director