

University of California
Systemwide Administration

Office of the
Assistant Vice President —
Business Management
Contracts and Grants Office

Memo

Operating Requirement

No. 83-33
December 2, 1983

VICE CHANCELLORS — BUSINESS AND FINANCE/ADMINISTRATION* CONTRACTS AND GRANTS OFFICERS (NON-LAB) SYSTEMWIDE ADMINISTRATION FUNCTIONAL MANAGERS

Subject: Exempt Status of The Regents of the University of California under
Section 501(c)(3) of the Internal Revenue Code of 1954

The Internal Revenue Service made a determination in 1939 that The Regents of the University of California was tax exempt under Section 101(6) of the Internal Revenue Act of 1938. This was formalized in a letter to The Regents dated September 14, 1939 (see Enclosure 1).

Pursuant to a request by the Office of the General Counsel, the IRS has subsequently indicated in a letter to The Regents dated September 8, 1982 that the University continues to be exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 (see Enclosure 2). Section 501(c)(3) was derived from, and continues without substantive change, the language of Section 101(6) of the Internal Revenue Act of 1938. This determination of the University's exempt status will remain in effect until the exemption has been terminated, revoked, or modified by the IRS.

Also, in a letter to The Regents dated November 23, 1973, the IRS has acknowledged that the University is not a private foundation within the meaning of Section 509(a)(1) of the IRS Code of 1954 (see Enclosure 3).

These letters from the IRS to The Regents may be provided to sponsors as certification of the University's tax exempt status.

Refer: Barbara Perry
(415) 642-2886
ATSS 582-2886

Subject Index: 13
Organization Index: U-115

David F. Mears
University Contracts and
Grants Coordinator

Enclosures

cc: Lab Contract and Grant Officers

WASHINGTON

OFFICE OF
COMMISSIONER OF INTERNAL REVENUEADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

IT:P:T:1

CQ

SEP 14 1939

The Regents of the University of California,
Berkeley, California.

Attention: Luther A. Nichols,
Comptroller.

Sir:

Reference is made to the information furnished by you for use in determining your status for Federal income tax purposes. The question of your exemption arose in connection with the Wilmerding School of Industrial Art, San Francisco, California.

The evidence discloses that you are the regularly constituted state university of the State of California created by a state legislative act in 1868; that you are engaged in educational activities; that your income is derived from investments, endowments, tuition, and miscellaneous sources; and that your income is used to defray general maintenance and operating expenses. The Wilmerding School of Industrial Art is under your control and is administered as a preparatory school and junior college.

It appears that you and your constituent schools are entitled to exemption under the provisions of section 101(6) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts. You are not, therefore, required to file returns for 1938 and prior years. Inasmuch as section 101(6) of Internal Revenue Code (53 Stat., Part 1) is similar to section 101(6) of the Revenue Act of 1938, returns of income will not be required for 1939 and subsequent years so long as there is no change in your organization, your purposes or your method of operation.

Any changes in your form of organization or method of operation, as shown by the evidence submitted, must be immediately reported to the collector of internal revenue for your district in order that the effect of such changes upon your present exempt status may be determined.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the Revenue Act of

Forney
Deputy Commissioner.

Internal Revenue Service

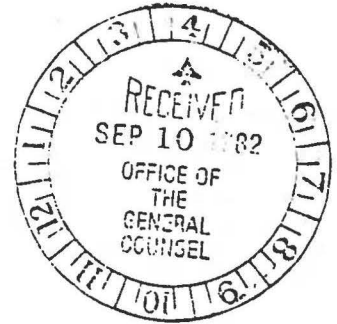
Department of the Treasury

District
Director450 Golden Gate Ave.
San Francisco, Calif. 94102

► The Regents of the University
of California
c/o The Office of the General
Counsel
590 University Hall
2200 University Avenue
Berkeley, CA 94720

Person to Contact:
Desk Officer
Telephone Number:
(415) 556-5353
Refer Reply to:
EP/EO:1
Date:

8 SEP 1982



Re: Request for Confirmation of Exempt
Status under Section 501(c)(3) of
the Internal Revenue Code of 1954

Dear Regents:

This is in reference to your letter of July 13, 1982 requesting confirmation of the exempt status of The Regents of the University of California under section 501(c)(3) of the Internal Revenue Code of 1954.

In our letter of September 14, 1939, Code IT:P:T:1 CQ, it was held that you were entitled to exemption under the provisions of section 101(6) of the Revenue Act of 1938.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code of 1954 or under a prior or subsequent Revenue Act remains in effect until exempt status has been terminated, revoked or modified.

Our records indicate that you are the regularly constituted state university of the State of California originally created by a state legislature act of 1868; that you are engaged in educational activities; that your income is derived from investments, endowments, tuition, and miscellaneous sources; and that your income is used in furtherance of your educational activities.

In addition, it appears from our records (including the information submitted with your letter of July 13, 1982), that there has been no change in your organization's exempt status. Accordingly, our letter of September 14, 1939 is still in effect. This letter does not constitute a no change examination letter.

Because section 501(c)(3) of the Internal Revenue Code of 1954 was derived from and continues, without substantive change, the language of section 101(6) of the Revenue Act of 1938 ("1939 Code") and because our letter of September 14, 1939 is still in effect, it appears that you and your constituent units are entitled to exemption as an organization described in section 501(c)(3) of the 1954 Code.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code of 1954 (formerly section 23(0) of the Internal

The Regents of the University of California

Revenue Code of 1938). Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes as provided in the applicable provisions of sections 2055, 2106, and 2522 of the Internal Revenue Code of 1954.

You are not required to file Form 990, Return of Organization Exempt from Income Tax, because you are a State institution, the income of which is excluded from gross income under section 115(a) of the Internal Revenue Code of 1954.

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. This office has not been asked to consider and therefore, 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 Internal Revenue Code of 1954.

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

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

Sincerely,

Michael Sassi

District Director

Department of the Treasury

Internal Revenue Service

7/12/73 (10/1/73) (10/1/73) (10/1/73)

Date

28 NOV 1973

In reply refer to

T:MS:EO:R:1:3

The Regents of the University
of California
Suite 689, University Hall
2200 University Avenue
Berkeley, California 94720



EIN

DO 94

Gentlemen:

Based on the information you submitted, we have classified you as an organization that is not a private foundation as defined in section 509(a)(1) of the Internal Revenue Code.

Your classification is based on the assumption that your operations will be as stated in your notification. Any changes in your purposes, character, or method of operation must be reported to your District Director, San Francisco, which is your key district for exempt organization matters.

We are notifying your key District Director of this action.

Sincerely yours,

Milton Cerny
Chief, Rulings Section I
Exempt Organizations Branch