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UT LAW | CLE



Exploring the Contours of Charitablity

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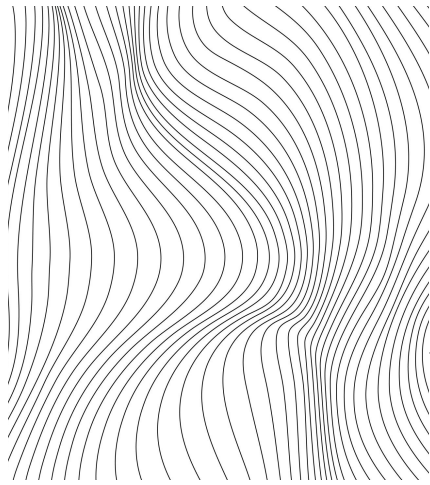
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Part 1: Exploring the Contours of Charitability

Economic Development

Community Revitalization

Poverty Alleviation

Scientific Research

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Overview: Requirement of an "Exempt Purpose"

What is an exempt purpose?

- Charitable
- Educational
- Scientific
- Literary
- Religious
- Amateur Sports
- Prevention of cruelty to animals or children

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Overview: What is Charitable?

Treas. Reg. §1.501(c)(3)-1(d)(2), charitable used in the “generally accepted legal sense” and includes (but is not limited to):

- Relief of the Poor
- Advancement of Religion
- Advancement of Education/Science
- Erection and Maintenance of Public Buildings, Monuments or Works
- Lessening the Burdens of Government
- Promotion of Social Welfare by:
 - Lessening neighborhood tensions,
 - Eliminating prejudice and discrimination,
 - Defending human and civil rights secured by law, and
 - Combating community deterioration and juvenile delinquency

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Overview: Exemption Eligible

- Organized and Operated Exclusively for Exempt Purposes
 - Exclusively means primarily – cannot meet this test if more than an insubstantial part of activities does not further an exempt purpose (Treas. Reg. 1.501(c)(3)-1(c)(1))

IRS Concerns:

- Commerciality = Competition
- Private Benefit
- Political Activity

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