

Internal Revenue Service
230 S. Dearborn St. 17th Floor
4921 CHI Group 7825
Chicago, Illinois 60604

April 29, 2010

Dear Ms. Hall,

Thank you for making the effort in putting together the packet of questions, remarks and court cases. Your attention to my organization's application is very much appreciated by me and the other members of the FBAA board of directors. This particular exchange between us has been particularly enlightening thanks to our last phone conversation in April and the information packet of court cases. I now feel I have a better understanding of what is required of FBAA for meeting the criteria for 501(c)(3) tax-exempt status. I also understand that I was not very clear in my previous responses regarding how FBAA meets its educational objectives. Per our conversation in April, a major concern you had raised was whether FBAA met the operational requirement under 501(c)(3) due to activities deemed as social or recreational in nature and therefore not for exempt purposes. In this response letter I would like to convey that FBAA engages primarily in activities aimed towards the ultimate objective of operating exclusively for educational purposes; as outline by the 501(c)(3) operational test only an insubstantial part of FBAA's activities is directed towards nonexempt purposes.

Please feel free to call or email me if you should require any explanation regarding my responses. You should be aware that I will be leaving the country on June 16th and will return on August 15th. If you need to contact me during that time emailing me would probably be the best option since I may be unavailable to reach by phone. Again, thank you for your time and patience during what was surprisingly a very informative and interesting process.

Sincerely,

Anthony Reid
FBAA Executive Director and Founder
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305-607-6909

1. What are the ages of the youths that participated in the travel tour? How many are under 18 years of age?

The ages of the youths that participated on the trip ranged from 14 to 23 years old. At the start of the project 14 out of the 21 participants were 18 years old or younger. Like other activities and programs organized by FBAA the trip targeted youth participants ages 13 to 26 years old. And because most of the trip costs must come from the parents of the participants, and as long as they fall within that range FBAA has no option but to allow those participants who can pay to go regardless of age.

Obtaining greater access to donated funds would create the possibility for FBAA to provide financial assistance for younger members to participate on future educational tours.

2. You stated that your original reason to form was to provide social events. Please explain what your activities consisted of from June 12, 2007 to September 28, 2009.

The purpose of the Forever Bloom Alumni Association as a strictly social organization was short lived. Within one year FBAA had become instead an organization focused on education and academic achievement for all youth in our local community. Below is list and explanation of FBAA activities between July 2007 and September 2009, beginning with the first major event, which at first glance may appear to be recreational in nature. FBAA understands that with access to limited resources charitable organizations must employ a variety of innovative means to get young people excited about their educational programs. Any activities normally deemed for non-exempt purposes should be regarded as insubstantial parts of the overall FBAA program. FBAA is proud of its untraditional means of enticing youth to show up and get involved in its educational programs. You will also see that because some of our activities are in collaboration with schools and other non-profits, they reoccur from year to year.

2007

July 2007 - 1st Annual Forever Bloom Alumni Association Summer Seminar

In fulfilling its goal to promote academic achievement among youths, FBAA helps to foster mentoring and interaction between accomplished college-bound students and aspiring students currently attending middle and high school. One means to meeting this end is the FBAA Summer Seminar meant to bring those youths together in an environment that is fun and conducive to meeting new people. Along with traditional seminar games, participants learn about each other's schools, majors, and career goals. Moreover, students take advantage of opportunities to form mentoring partnership with their older and younger peers.

November 2007 - Hands On Miami Day

The first collaborative event in which FBAA members participated was in a citywide community service project organized by Hands on Miami (HOM), a local non-profit with close ties to the United Way of Miami, Florida. Just like it did when FBAA participated in 2006, Hands On Miami Day 2007 again gave FBAA the opportunity to assist the Miami-based non-profit in bringing together middle and college age students for the purpose of learning first hand about the local community by painting murals and boardwalks, performing beach clean ups, and other forms of community service. Hands On Miami Day has also become an annual event for FBAA and includes an even greater variety of activities designed to promote interaction and mentorship among youths of various ages, while enhancing the quality of life in the local community. At each project site and prior to the service, Hands On Miami Day organizers provide students with insight on the history and cultural significance of the area where they will be working.

FBAA does not organize Hands On Miami Day, but instead is one of the events many participating businesses and charities. However, HOM Day is important for FBAA in its aim to bring together young people so that it may help promote academic excellence. One of the most difficult tasks in being an educational-based organization is spreading the word about its benefits and getting those who could benefit most to show up and participate. Hands On Miami Day provides tremendous exposure for FBAA and access to young people who truly love participating in the activities.

2008**January 2008 - Forever Bloom Alumni Association Winter Dinner**

The first major event for every calendar year is Forever Bloom Alumni Association Winter Dinner. The purpose of the dinner is to promote education and academic achievement by bringing together middle school, high school, and college age students for an evening of public speaking and networking. The dinner serves as a foundation on which future FBAA events that focus on the betterment of our local youth would be built upon. At the dinners FBAA hosts student performances and speeches meant to promote academic success for students of all ages. Also at the dinner the FBAA board announces and promotes future educational programs available for both members and non-member throughout the upcoming year. The event was also the first of three Winter Dinners (January 2007, and January 2008, and January 2009) that FBAA now organizes annually in Miami, Florida.

March 2008 – Educational Travel Group Seminar

Because of its commitment of promoting education through service and travel, FBAA hosted for its members the first group seminar on volunteering and studying throughout the United States and abroad. The goal of the seminar was to show alternative

avenues for students and their parents who wish to continue academic study that are both exciting and affordable. One of the goals of FBAA, if granted 501(c)(3) status, is to secure funds to assist its members in obtaining the means to take part in national and international work-study programs.

May 2008 – 9th Annual Great Debate Student Competition

Every May beginning in 2006 FBAA and the Future Leaders and Educators of America (FLEA) collaborate annually and together host the Paul W. Bell Middle School Great Debate Competition. Paul W. Bell Middle School is a Title I school located in an area of Miami, Florida with a large percentage of recent immigrants whose children attend that school. FLEA is a school club many of whose members later join FBAA once they graduation middle and high school. This is event is in part a speech competition between middle school students, fundraiser for the FLEA club, and membership drive for FBAA thanks to returning alumni who come to see the competition. In addition to new members, the Great Debate gives FBAA the opportunity to recruit mentors and mentorees, as well as, promote the organization through model speaking on the part of its officers. The Great Debate has served as an effective event for FBAA to show its support for high achieving middle school students attending a school located in an under-privileged community.

July 2008 – 2nd Annual Forever Bloom Alumni Association Summer Seminar

Please see 1st Annual Forever Bloom Alumni Association Summer Seminar.

October 2008 - Hispanic Heritage School Supply Drive

In effort to promote among local students the importance of obtaining a quality education and ensuring that every child school have the opportunity to learn FBAA began working with the Asociación Pro-Ayuda a la Niñez Nicaragüense (APAN) in gathering educational supplies for disadvantage children living Diriamba, Nicaragua. APAN is dedicated towards helping local children deal with many societal problems now plaguing many Nicaraguan towns. Problems range from dropping out of school, teen drug abuse, early pregnancy, and gang violence. The organization provides social education and vocational training for many of these teens in an environment that is safe and respectful of young people.

A about 25% to 35% of local students and members of FBAA are of Nicaraguan background. Promoting education by empowering students to help others who are relevant in their lives is an important strategy FBAA utilizes when reaching out to youths. Although the project most certainly benefited students in Nicaragua, the main purpose behind the “Hispanic Heritage Month School Supply Drive” was to serve as a means for members to network and further the association’s objectives to foster education and academic achievement here at home.

2009**January 2009 – Nature Fieldtrip to the South Florida Fruit and Spice Park**

Since the start of the 2008-2009 school year FBAA has promoted a to get its members registered with the Miami-Dade school system as official volunteers and chaperones. The aim is to allow those FBAA members who have or wish to gain more teaching experience the possibility to work alongside teachers in both the classroom and on school-sponsored fieldtrips. The first of such fieldtrips was to the Fruit and Spice Park where an FBAA member chaperoned a group of middle school students to education lectures and exhibits where nature and wildlife experts shared information about South Florida native plants and animals. The role of the FBAA member was to assist the teacher in caring for and ensuring that each child participant on the trip got the most of what the experience had to offer.

July 2009 – 3rd Annual Forever Bloom Alumni Association Summer Seminar

Please see 1st Annual Forever Bloom Alumni Association Summer Seminar.

September 2009 – Back to School Night at Fuddrucker's

In its understanding that academic achievement among youth can not be obtained if the most basic of needs are not met first, FBAA began what would be the first of many school supply drives. The goal is to get as many FBAA members and others to donate school supplies for socio-economic disadvantage students in or near South Florida. Donor would meet at Fuddrucker's Restaurant where they would drop-off the supplies and join everyone else for a dinner. If achieving 501(c)(3) tax-exempted status, FBAA hopes to raise enough funds to cover the cost of providing the dinner for its members and other donors, as well as, the cost of shipping the school supplies where they are most needed.

3. You stated that "NiSA" and "HI USA National Headquarters" is exempt under 501(c)(3). If so, please explain furnish us with a copy of their determination letter.

From the best of my knowledge, the Nicaragua Student Association (NiSA) does not have 501(c)(3) status. NiSA, like FBAA, is a member of the Florida International University Council for Student Organizations (CSO). In the past, student members of NiSA and FBAA have collaborated to help raise educational materials for Nicaraguan students in South Florida and in Nicaragua.

According to the Media Summary on its website Hostelling International USA is a non-profit with 501(c)(3) status. Although I could not provide a copy of the determination letter as requested, below is a copy of the Hostelling International Media Summary.

The Hostelling International Annual Report for 2009 can be downloaded at the following address: www.hiusa.org/_pdf/annual_report.pdf.

Hostelling International Media Summary

WE ARE A NONPROFIT Promoting intercultural understanding and environmental stewardship

The mission of HI-USA Golden Gate Council is to help all, especially the young, gain a greater understanding of the world and its people through hostelling. Our vision is for guests to become caring global citizens who are catalysts for intercultural exchange and understanding stewards of the earth.

We work to achieve this through the following activities:

- Promote global awareness through a network of welcoming, comfortable, and affordable hostels that encourage exploration and nurture cross-cultural communication, and through programs that interpret culture principally through interaction among hostellers and community members.
- Encourage educational travel through information, activities, and services that facilitate safe, affordable, and culturally sensitive hostel travel for people of all ages.
- Protect the environment through activities that promote meaningful, low-impact travel using hostels and that focus on the conservation and interpretation of the built and natural environment.
- Broaden community participation through involvement of all members of the community in hostel travel, programs, and volunteer participation.

Available at: <http://www.norcalhostels.org/about-us/>

MEDIA SUMMARY

[Hostelling International USA](#), Golden Gate Council (nationally registered as Golden Gate Council of American Youth Hostels, Inc.) is a nonprofit network of eight hostels in scenic Northern California, that hosted 230,000 overnights in FYE '09 -- more than 20 percent of HI's total U.S. overnights.

The Golden Gate Council has provided top-quality budget accommodations to travelers since it was founded in 1958 by a team of volunteers (visit [About Us](#) for a complete timeline). The Council is one of 31 regional HI affiliates providing affordable accommodations and educational programs across the United States. Hostelling International is the global brand for the [International Youth Hostel Federation](#) and its 80 member countries, including HI-USA.

From stately lighthouses to National Parks, busy city centers to remote coastal locales, the Council's hostel network is unmatched anywhere in the United States, and hosts travelers of all ages, cultures, and backgrounds, including individuals, families, and groups.

As a nonprofit 501(c)(3) organization, the Council is dedicated to promoting intercultural understanding, environmental stewardship, and world peace through travel (visit [About Us](#) for our mission and vision

statements). HI hostels are not just places to stay, but also places to foster a stronger global community and to educate youth.

HI's mission of promoting intercultural understanding through travel has never been more important. As part of a network that extends to nearly every region of the world, the Golden Gate Council is working even harder to provide safe places for travelers to meet each other, see new places, and experience other cultures.

Available at: <http://www.norcalhostels.org/press-room/>

4. You stated that you are officially recognized by the Council for Student Organizations at Florida International University. Please furnish us with the following:

a. Explain the relationship between this organization and your organization.

The Council for Student Organizations is an umbrella organization that oversees clubs, fraternities, sororities and other FIU student organizations on campus. Because FBAA has a number of FIU students who are also members, these students have registered FBAA as an official student organization under CSO. The reason why FBAA became a student organization at FIU was to have greater visibility and access to university students and be able to promote greater participation for its educational and service-based programs. Moreover, as a member of CSO FBAA has access to FIU resources and facilities for the purpose of conducting meetings, seminars and project related events.

b. What type of training, if any, do you provide for the instructors, and the participants of the tour?

In anticipation of the San Francisco 2010 tour monthly meetings took place between participants, parents and trip instructors at Florida International University. Most of the preparation geared towards the participants and parents focused on interest surveys and pre-reading assignments for upcoming tours, packing and trip preparedness, and trip safety. During the meetings trip leaders (instructors) would present a host of scenarios (weather conditions, natural disasters, terrorism, illness, etc.) as a means of preparing participants for the trip.

Prior to the general meeting with participants and parents, instructors meet regularly to discuss the various educational, recreational, and safety issues related to the trip. Items discussed included incorporating the social studies based curriculum, preparing pre-trip assignments for middle and high school student participants, choosing educational tours and activities, and anticipating parents' safety concerns.

c. How are these individuals made aware of your organization?

FBAA uses a variety of means to share information about its educational and service-based programs:

- Most individuals learned about FBAA through word-of-mouth or from people who have already participated in FBAA events and programs. Some of these events and programs include the school supply drives, winter dinners, community service projects, and the Great Debate student competition.
- The Florida International University Council for Student Organizations hosts on campus a student organization fair where FBAA sets up an information booth for hundreds of students to visit throughout the day.
- FBAA distributes information about itself through the Internet via email, Facebook, and its official website foreverbloom.org.

5. Attached are (1) Revenue Ruling 77-366, and (2) Court case “International Postgraduate Medical Foundation v. Commissioner of Internal Revenue T.C. Memo, 1986-36”... Per our conversation, please review and furnish us with a breakdown of similarities and differences in the operation of the above mentioned organizations and your organization.

The space below contains a breakdown of the similarities and differences between the Forever Bloom Alumni Association and the above mentioned organizations as they pertain to the issue eligibility for 501(c)(3) exemption status.

a. Forever Bloom Alumni Association and organization in Revenue Ruling 77-399:

Similarities:

- FBAA and the organization in Revenue Ruling 77-399 shares the similar stated purpose of providing “a continuing educational program...” However, FBAA’s focus is to provide these programs in an atmosphere conducive and appealing to interests of today’s youth.
- Similar to the cruise activities mentioned in Revenue Ruling 77-399, FBAA’s trip to San Francisco programs tours and programs that included lectures, discussions, and both historical and cultural-based activities designed to give students an in-depth understanding of the city.

Differences:

- Unlike the organization in Revenue Ruling 77-399, FBAA’s activities are not limited to a regular arrangement of educational tours for its members. As evident above FBAA organizes a host of activities that take place in South Florida, which are exclusively for educational purposes.

- During the San Francisco trip FBAA educational programs and activities were scheduled everyday and throughout the entire day. Unlike the organization in Revenue Ruling 77-399, attendance during all educational programs and activities was mandatory for every trip participant.
- The focus and benefit of FBAA activities is for the youth. During the San Francisco trip the ratio of adults to youths was 1:7. This was so that as many youths as possible have the opportunity to participate on the trip while maintaining adequate number of adults.
- During the San Francisco trip, as well as, other FBAA programs, only an insubstantial amount of time was available for meals, recreational activities, and social functions. Such activities are largely never the focus or objective of any FBAA program. Unlike case with the organization in Revenue Ruling 77-399, the majority of FBAA time, energy, and resources are devoted to educational purposes and the advancement of academic achievement among youth participants.

b. Forever Bloom Alumni Association and the International Postgraduate Medical Foundation:

Similarities:

- Similar to the International Postgraduate Medical Foundation (IPMF), FBAA's mission is to provide continuing education for youth through travel, mentoring, community service and a variety of innovative public programs.

Differences:

- According to court case "a substantial non-exempt purpose of petitioner's operations was to provide benefit for H and C Tours, a for profit tour agency." The court document suggests a large conflict of interest issue between trustee Michael Helin and H & C Tours. This was not at all the case with FBAA and it travel arrangements for the educational trip to San Francisco. The FBAA trip organizers preferred not to use a fieldtrip company or travel agency, but instead built the trip from scratch based on the financial limitations of the participant and educational purposes of the project. Although FBAA directly contracted numerous agencies and vendors to provide goods and services throughout the trip, none were paid to provide more than one major component of the trip. In other words, one agency handled the flight arrangements, a different vendor provided accommodations, another travel insurance, and so on. FBAA scrutinized each agency and vendor for the best service record and price possible.
- Unlike the case involving the IPMF and H & C Tours, FBAA is a not-for-profit organization that ensures that 100% of funds collected from members and program participants benefit members and program participants.

- The case states that “The record includes a document entitled, ‘Program Participation Compliance Form,... The form has a space for the participant’s name and a space to indicate whether the participant attended. The spaces are blank.” FBAA educational projects taking place during a trip require full participation from every participant.
- “Petitioner’s brochures indicate the size of each tour group is limited to approximately fifteen doctors and their wives. Family members and friends accompanied tours without attending any of the educational seminars.” The FBAA trip to San Francisco and future trips will be limited to student participants and teachers, who are all required to attend and participate in educational activities.
- Unlike the IPMF, FBAA is operated to serve public interests. Anyone from the community as a whole may join FBAA and participate in its activities as long as they adhere to the organization’s mission to promote education and academic achievement among youths.