

**Internal Revenue Service
Director, Exempt Organizations**

**Department of the Treasury
P.O. Box 2508 - Room 4122
Cincinnati, Ohio 45201**

Date: July 1, 2002

Loyalhanna United Soccer Club, Inc.
c/o Vincent Pimpinella
4004 Forest Glen Drive
Greensburg, PA 15601

Employer Identification Number:
25-1823423
Person to Contact - ID#:
Cara D. Franczak 31-07374
Contact Telephone Numbers:
513-263-3673 Voice
513-263-4513 FAX
Response Due Date:
July 22, 2002

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.

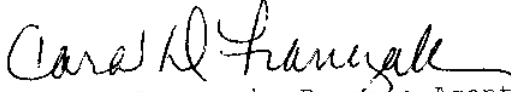
To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

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,


Cara D. Franczak, Revenue Agent
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 or lose your user fee.

PLEASE ATTACH A COPY OF THIS LETTER TO ALL CORRESPONDENCE.

Additional Information Requested:

1. What is the age range of the participants of your present soccer activities? How many participants do you presently have? How many are over the age of 18?
2. In order to meet the organizational test for exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, you must amend your organizing document, Articles of Incorporation, in the manner shown on the attached "Amendments to be adopted". These amendments should be filed with the state in which you are incorporated. A state stamped copy of the amendments should be returned to this office. You should also keep a copy with your Articles.
3. It appears that your organization has been attempting to build a new facility for recreational sports. There are various plans in the file. One talks about a 135-acre facility. Another talks about attempting to purchase an 85-acre lot. What exactly is your plan for the soccer facility/recreational center? What types of sports will be offered? Who will be able to use the facility? Will fees be charged for use? Have you acquired land? If so, provide details and a purchase agreement. What facilities will you attempt to build? Are indoor as well as outdoor fields still in your plans? Provide any and all details regarding the plans for the facilities.

Section 5.02 of Revenue Procedure 90-27, 1990-18, I.R.B. 17, provides that exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned for carrying out the activities.

4. Will your soccer league participate in national and/or international competitions? Do you provide equipment?
5. Is this a level of membership dues or fundraising efforts that must be met?

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Are there "individual accounts" set up for the athletes' membership dues or fundraising efforts? Are fundraising efforts and membership dues set up on a "credit system" where points are given to lessen an individual's balance due? Please explain how fundraising is conducted.

6. On page 3 item 4a, you were asked to provide information regarding your governing body. According to your Bylaws your organization is governed by a Board of Directors (numbered not less than 4 and not more than 7 including 2 active coaches and a referee) and Officers. The Offices include President, Vice-President, Secretary and Treasurer. On the application, you have provided information on the Officers. Please provide the full names, titles, full addresses and compensation packages of any and all of the remaining members of the governing body.
7. What is the organization's relationship with United States Soccer Federation and the PA West Soccer Association? Are you accountable to either of them in any way? If so, provide details. Also, what is the current status of the relationship with the Soccer Academy?
8. On page 4 item 11c, you provided information regarding the benefits that the members receive. You stated that "[M]embers can play, coach, or manage recreational soccer teams." Are members of any age able to coach and manage a team? This seems to imply that members are of all ages. Are your soccer activities limited to youth under the age of 18? Is your organization a parent of other teams? For instance, will your league be comprised of teams that compete against each other?
9. On page 6 item 9 of your Form 1023, you indicated you were an organization described in section 509(a)(2) of the Internal Revenue Code. It appears that you may qualify as an organization described in either sections 509(a)(1) and 170(b)(1)(A)(vi) or section 509(a)(2) of the Code.

Organizations described in section 509(a)(2) are those which are primarily supported by fund raising activities in which they sell various items, or if they will receive income from admissions, sales of merchandise or services, or furnishing of facilities. Organizations described in sections 509(a)(1) and 170(b)(1)(A)(vi) are those which are primarily supported by gifts, grants, and contributions from the public.

If you would like consideration under both of these sections 509(a)(1) and 170(b)(1)(A)(vi) please check box "h". If you are not sure which classification best describes your organization, please change your response to "j". Initial the change to the page.

10. On page 2, you indicated that one of your sources of support would be fundraising events. However, you have not reported any income from this source. Fundraising revenue is reported on line 9. Please revise the form to report any fundraising incomes that you may have had.

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11. Provide a schedule itemizing the expenses that are reported as "field rental costs".
12. Are your referees hired as employees or do they subcontract? What is the rate for each referee per game? How was this rate determined?
13. On page 8, you indicated fundraising expenses (line 14). However, on the schedule that you provided, there is no indication of what these expenses were for. Please explain the discrepancy.
14. You have indicated that in 2001 you made a deposit on land. Please provide the agreement and the square footage of the land. Who hold the title to the land? What will this land be used for? If you have land why do you rent fields?
15. What experience and financial resources does your present Board have regarding the field and facility acquisition? Are any of them contractors or excavators?

Any changes made to any part of the application or its supporting documents should be signed and dated by an authorized official.

PLEASE DIRECT ALL CORRESPONDENCE REGARDING YOUR CASE TO:

US Mail:

Internal Revenue Service
Exempt Organizations
P. O. Box 2508
Cincinnati, OH 45201
ATT: Cara D. Franczak
Room 4122

Street Address:

Internal Revenue Service
Exempt Organizations
550 Main St, Federal Bldg.
Cincinnati, OH 45202
ATT: Cara D. Franczak
Room 4122