

**SECTIONS OUTSIDE U.S.
APPLICATION FOR TAX EXEMPTION**

SAMPLE LETTER

(Addressed to Taxing Commission
requesting exemption from taxes)

Dear _____:

Re: Tax Exemption Ruling Application of International Society of Automation
_____ Section

This letter is submitted for the purpose of requesting a tax exemption ruling from the (Name of Taxing Commission) for the International Society of Automation (ISA) _____ Section.

A. Purpose & Structure of ISA Including Its Sections

The ISA _____ Section was formed on _____.

The basic rules for the Section, including its general organizational purpose are specified in its Constitution and Bylaws (Exhibit ____), as follows:

The objectives of the Section shall be to advance and to reinforce the arts and sciences related to the theory, design, manufacture and use of instrumentation, computers and systems for measurement and control in the various sciences and technologies for the benefit of mankind.

The Section's operating policies and control if its affairs are accomplished through its Executive Board.

Members of a Section automatically become members of the international central organization headquartered in the U.S.A., namely the International Society of Automation (ISA). Several classes of members, including student members, each with different membership requirements, may join the Society.

The primary purpose of the International Society of Automation (ISA), and its worldwide Sections, is educational and scientific. The International Society of Automation is exempt from taxes under the U.S. Internal Revenue Code Section 501 (c)(3). Various instrumentation periodicals are available to members and the public (non-members). The central ISA organization itself conducts a number of short courses, symposia, and meetings throughout the world that are designed to provide information and interchange of ideas, respecting the latest scientific and technological developments. ISA's Standards and Practices Department organizes and coordinates the development and publication of standards and recommended practices in numerous scientific and technical fields, which are recognized by the American National Standards Institute.

ISA also engages in a wide variety of related educational activities, including publication of textbooks, reference books, and periodicals, and the production and distribution of instructional films and cassette tapes. The ISA and many of its Sections, including the _____ Section, plan training courses in instrumentation, measurement, and automatic controls. Another objective of the Section is to conduct training programs in conjunction with universities. Attendees to the training programs include persons from education and science, industry, and from various agencies of the government.

The ISA _____ Section's Constitution and Bylaws requires that it be operated on a nonprofit basis. Its Constitution and bylaws also provide specific provisions prohibiting any financial benefits from inuring to the personal or private interests of its members.

The ISA _____ Section's Constitution and Bylaws also provide for distribution of assets on dissolution as required for a tax-exempt charitable organization, as follows:

In the event of dissolution of the Section, all outstanding obligations of the section shall be paid in full, and the net assets of the section shall be distributed to such one or more educational or scientific nonprofit organizations, whose assets are then exempt from Income Taxes, as may, in the opinion of its Executive Board, possess objectives similar to those of the Section. Under no circumstances shall any of the net assets of the Section be distributed in whole or in part to any Section or member of the Society, and all such assets shall be distributed in furtherance of the objectives of the Section or objectives similar thereto.

The Constitution and Bylaws contain prohibitions on lobbying and political activities as required for tax exempt nonprofit charitable organizations.

B. Affiliation of _____ Section with ISA

There is a close and continuing relationship between the central ISA (U.S.A.) and its affiliated Sections. Each Section obtains its charter from the central ISA organization, and the central ISA has the authority to rescind each charter for cause. The election of each person to membership in a Section and the central ISA must be approved by the Executive Director of ISA (U.S.A.). The central ISA sets the amounts of the dues for each class of members. All dues are paid to ISA's Executive Director, who then rebates a portion thereof to the appropriate Section. This dual membership entitles the member to participate in activities sponsored by both the central ISA and the members' Section. It is through the Section that each member participates in the overall governance of the central ISA, through election of the Section's delegate to the central ISA's Council of Society Delegates.

On a less formal level, the affiliation between the central ISA and the Sections is constantly evident in the programs and guidance offered by the central ISA to the Sections and their members. The Sections are composed almost entirely of unpaid volunteers, while the central ISA employs full-time professionals to formulate and provide its educational, scientific and technical materials and programs, and to provide instruction and guidance on administrative matters. Thus because of the formal organizational structure of the total ISA organization, and more importantly, the professional resources of the central organization that constitute the primary motivation for becoming a part thereof, the central ISA maintains supervision, control and guidance over the subordinate Sections.

C. Sample Copies of Representative Governing Instruments

Attached as Exhibit ____ through ____ are governing instruments of the Section.

The purposes, activities and finances of the _____ Section are similar to the central ISA. The activities described below are all related to their function, namely, to "advance and reinforce the arts and sciences related to the theory, design, manufacture and use of instrumentation, computers and systems for measurement and control in the various sciences and technologies for the benefit of mankind".

Any revenue gained by these activities and programs is used to cover the costs of those same programs, or to help fund other exempt functions of the Section. These functions may be summarized as follows:

1. Fairs: The _____ Section proposes to sponsor at least one instrument fair yearly. The fair is an exhibition, where instrument suppliers display their products. The proceeds from these fairs are used by the Section to cover its costs in producing the fair, which often requires renting Exhibition space. All fairs are open to the public free of charge, or for a token charge. The fair actually serves as an integral part of the simultaneous technical conferences and symposia.
2. Technical Lectures and Symposia: All Section meetings involve a lecture on some topic involving the advances in instrument technology. Lecturers are often brought in from the local area, and lectures often are open to the general public. The lectures are free of charge, and cover technical or scientific topics.
3. Educational Courses: The _____ Section plans to sponsor educational courses on aspects of instrument technology. The Section may offer the course on its own, or jointly through a local educational institution. To participate in these courses, a fee is required. Fees are used to cover the cost of organizing the course, including texts and study materials. The courses are open to anyone interested, including the public.
4. Seminars: The _____ Section also plans to offer seminars that may cover a two or three day period. These seminars are open to the public and include numerous technical and scientific lectures and topics of discussion. The fees charged for these seminars vary; most of the time ISA members are charged somewhat less than non-members.
5. Scholarship Awards: The _____ Section also plans to offer scholarships to deserving students pursuing a career in the instrument technology field. The amount of each scholarship may be anywhere from \$200 to \$1500. The money for scholarships usually comes from excess funds which the Section has accumulated from its fairs and training programs.

6. Directories and Newsletters: The _____ Section also prints a directory and newsletters. Directories are lists of various instrument sources in the Section's locale, including member names, addresses and other data about

Section activities. Newsletters, in most cases, are published regularly and supply members with Section news on advances in instrumentation. In both the directory and newsletters, advertising is sold to cover the cost of printing. Revenue from advertising may sometimes fall short of printing costs, or may slightly exceed printing costs. Any excess is applied toward the cost of other nonprofit functions of the Section. Both the directory and newsletters are normally provided to the members free of charge.

7. Social Activities: Sections sponsor some social functions which are conducted occasionally with monthly scientific meetings. Fees collected for such events are used principally to cover the costs of the occasion. Any excess funds are used to fund the Section's educational programs.

In general, all revenues and expenditures are used to fund the above activities and programs. Section revenues generally are received from member dues, rebates from the central ISA, and from the activities outlined above. Section expenses incurred, including the above-described activities, cover the following specific items:

- (a) printing and mailing expenses;
- (b) rental of meeting facilities;
- (c) meetings expenses, including social events;
- (d) fair expenses;
- (e) scholarships;

D. Affirmation Regarding Private Foundation Status

The _____ Section, including the ISA central organization, do not operate as a private foundation.

E. Additional Questions

If the _____ Taxing Authority has any request for additional information, or additional documents, it should contact the undersigned to expedite consideration and the granting of a favorable tax-exempt ruling.

Very truly yours,

(ISA Section Name)

By: _____
President