



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

REC'D JUN 27 2008

In reply refer to: 0248455888  
June 24, 2008 LTR 4168C E0  
35-6203550 000000 00 000  
00033035  
BODC: TE

HEALTH FOUNDATION OF GREATER  
INDIANAPOLIS INC  
429 E VERMONT ST STE 300  
INDIANAPOLIS IN 46202-3698758



027831

Employer Identification Number: 35-6203550  
Person to Contact: SELLERS  
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your request of June 13, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in MAY 1990, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are a private foundation described under section 509(a) of the Code.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations I

Internal Revenue Service  
District Director

Department of the Treasury

P. O. Box 2508  
Cincinnati, OH 45201

Date:

**MAY 22 1990**

Employer Identification Number:  
35-6203550

Person to Contact:  
June Smallwood

Telephone Number:  
513-684-3947

Metropolitan Health Council  
of Indianapolis, Inc.  
P. O. Box 41311  
Indianapolis, IN 46241

Dear Sir or Madam:

We have reviewed your request that you be reclassified from a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986 to a private foundation within the meaning of section 509(a) of the Code.

By our determination letter dated October 13, 1970, you were held to be exempt from Federal income tax under section 501(c)(3) of the Code. By our letter dated June 28, 1972, it was determined that you were not a private foundation within the meaning of section 509(a) of the Code because you were an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Based on the financial data you submitted, we have determined that you are a private foundation as defined in section 509(a) of the Code because you do not constitute an organization described in section 509(a)(1), 509(a)(2), 509(a)(3) or 509(a)(4) of the Code.

According to your letter dated January 25, 1990, your sources of support have changed and you no longer meet the one-third support test nor the ten percent facts and circumstances test under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code beginning with the calendar year of 1990. You are not described in section 509(a)(2) of the Code because you do not meet the more than one-third support test nor the not more than one-third support test beginning with the calendar year of 1990. You are not an organization described in section 509(a)(3) of the Code because you are not organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of an organization described in sections 509(a)(1) or 509(a)(2) of the Code and you are not operated, supervised, or controlled by or in connection with any such organization. You are not an organization described in section 509(a)(4) of the Code because you are not organized and operated exclusively for testing for public safety.

We have classified your organization as a private foundation as defined in section 509(a) of the Code effective January 1, 1990. You have agreed to private foundation status effective January 1, 1990, by signing Form 6018, Consent to Proposed Adverse Action.

Metropolitan Health Council  
of Indianapolis, Inc.

This modification of your foundation status does not adversely affect your exempt status under section 501(c)(3) of the Code and the exemption letter issued to you October 13, 1970, continues in effect.

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You also submitted a copy of an amendment to your Articles of Incorporation dated August 10, 1989, and a copy of your Code of By-Laws adopted September 21, 1989. The amendment of your Articles of Incorporation and the adoption of the Code of By-Laws does not adversely affect your exempt status.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. This is a requirement for retaining your exempt status.

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

This is a modification letter.

Sincerely yours,

*H. M. Browning*

Harold M. Browning  
District Director

cc: Daniel R. McKeithen  
3100 First Atlanta Tower  
Atlanta, GA 30383-3001

RECEIVED MAY 25 1990

SUTHERLAND, ASBILL & BRENNAN

3100 FIRST ATLANTA TOWER

ATLANTA, GEORGIA 30383-3001

(404) 658-8700

1275 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D. C. 20004-2404

(202) 383-0100

CABLE: SUTAB ATLANTA  
TELECOPIER: (404) 658-8914  
TELEX: 54-2672

DANIEL R. MCKEITHEN  
DIRECT DIAL: (404) 658-8921

January 25, 1990

VIA FEDERAL EXPRESS

Mr. Harold M. Browning  
District Director  
Internal Revenue Service  
P. O. Box 3159  
Cincinnati, Ohio 45201

Re: Metropolitan Health Council of Indianapolis, Inc.  
E.I.N. 35-6203550

Dear Mr. Browning:

This letter requests a determination letter as to the private foundation status of the above-named taxpayer. This request is submitted in accordance with Rev. Proc. 76-34, 1976-2 C.B. 656, and Rev. Proc. 90-4, 1990-2 I.R.B. 10 (Jan. 8, 1990). It appears that none of the user fees described in Rev. Proc. 89-4, 1989-3 I.R.B. 18 (Jan. 17, 1989), is applicable to this request. Please contact me promptly if you believe that a user fee is required.

As described below, the taxpayer became a private foundation as defined in section 509 of the Internal Revenue Code of 1986, as amended (the "Code"), for its taxable year beginning January 1, 1990. This letter requests a new determination letter confirming the taxpayer's status as a private foundation.

Statement of Facts

The Metropolitan Health Council of Indianapolis, Inc., an Indiana not-for-profit corporation, was incorporated November 15, 1968. It received funds from several government programs allowing it to establish neighborhood health centers. The taxpayer's status as a tax-exempt organization under Code section 501(c)(3) was recognized by the Service in a letter dated October 13, 1970. On June 28, 1972, the Service sent the Council an additional determination letter classifying it as an organization described in Code section 170(b)(1)(A)(vi) and thus not a private foundation under Code section 509(a)(1). Copies of these letters are attached for your reference.

In 1974, the taxpayer began operating an organized health care delivery system designed to provide enrolled members with a wide range of comprehensive health services for a fixed periodic payment. The taxpayer obtained qualification of its "MetroHealth Plan" as a health maintenance organization under the Federal HMO Act of 1973, effective January 1, 1977. During the

Mr. Harold M. Browning  
January 25, 1990  
Page 2

years that it operated the HMO, the taxpayer qualified as a publicly supported organization described in Code section 509(a)(2).<sup>1/</sup>

On January 28, 1985, the taxpayer sold its HMO operations to a for-profit corporation for \$12,500,000. The taxpayer has invested these funds and uses the investment income to make grants for health-related charitable projects in the Indianapolis community.

The taxpayer was audited by the Service for its taxable years ending December 31, 1984 and 1985. The case was resolved with the IRS Appeals Office in Cincinnati. The closing agreement executed confirms that the taxpayer remained an exempt organization under Code section 501(c)(3) following the sale, and that it was not a private foundation in these years.

In a letter dated November 13, 1985, the taxpayer requested a determination letter from the Service that the sale of its assets resulted in the taxpayer becoming a private foundation effective with its taxable year beginning January 1, 1986. The taxpayer filed a Form 990-PF for its 1986 taxable year, paid the two percent excise tax under Code section 4940, and made three deposits of estimated excise tax for 1987. The Service notified the taxpayer by letter dated August 25, 1987, that the taxpayer should file a Form 990 for 1986. The taxpayer determined that the Service was correct, and it filed a Form 990 for 1986 on December 24, 1987. By letter dated December 22, 1987, and attached to this return, the taxpayer withdrew the November 1985 request for a new determination letter. It also filed a claim for refund of the 1986 excise taxes erroneously paid. This claim was recently renewed with the IRS Service Center in Cincinnati and expanded to cover the 1987 estimated tax deposits. A refund of these excise tax payments was received by the taxpayer on January 19, 1990.

The taxpayer filed Forms 990 for its 1987 and 1988 taxable years and intends to do so for 1989. It has continued to

---

<sup>1/</sup> The taxpayer did not request a new determination letter from the Service requesting reclassification from Code section 170(b)(1)(A)(vi) to Code section 509(a)(2). The Internal Revenue Agents focused on this fact in their audit of the taxpayer's 1984 and 1985 taxable years, discussed *infra*, but it was ultimately determined that the failure to request a new determination letter did not adversely affect the taxpayer's status.

Mr. Harold M. Browning  
January 25, 1990  
Page 3

be organized and operated exclusively for charitable purposes, and it has amended its articles of incorporation and bylaws in anticipation of becoming subject to the provisions of the Code and regulations concerning private foundations.

To the best of the knowledge of the taxpayer and the taxpayer's representative, the issue of the taxpayer's status as a private foundation is not currently the subject of review by any office of the Internal Revenue Service. As discussed above, the taxpayer has filed returns indicating that it was not a private foundation for any year through 1988 and will file a similar return for 1989. The taxpayer requests a determination letter that it became a private foundation on January 1, 1990.

#### Law and Regulations

Code section 509(a)(2) provides that a section 501(c)(3) organization which normally receives more than one-third of its support in each taxable year from permitted sources in the form of gifts, grants, contributions, membership fees, or gross receipts from certain activities not constituting an unrelated trade or business, and which normally receives not more than one-third of its support in each taxable year from gross investment income and unrelated business taxable income, is not a private foundation. During the years in which the taxpayer operated its HMO, the taxpayer met the requirements of section 509(a)(2) since nearly all of its support came from either membership fees or gross receipts from the performance of services related to its exempt purpose.

Since the sale of assets, the taxpayer has continued to be organized and operated as a tax-exempt charitable organization under Code section 501(c)(3). The taxpayer's support, however, now comes entirely from the gross investment income generated from the proceeds of the asset sale.

Under Treas. Reg. § 1.509(a)-3(c)(1), the support tests of section 509(a)(2) are computed on the basis of an organization's "normal" sources of support. The regulations describe a four-year rolling average for determining an organization's normal support from permitted sources and from gross investment income. As described in the regulation, if the taxpayer's aggregate support for the period consisting of the four taxable years preceding the current taxable year satisfies the statutory ratios, the taxpayer is not a private foundation for the current and the immediately succeeding taxable years.

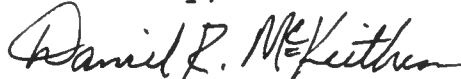
Mr. Harold M. Browning  
January 25, 1990  
Page 4

Attached is a table showing the taxpayer's sources of support for the years 1984 through 1988. This table demonstrates that the taxpayer met the sources of support tests for the 1984-1987 period. Therefore, for its 1988 and 1989 taxable years, the organization was not a private foundation. The taxpayer, however, did not meet the tests for the 1985-1988 period, since more than one-third of its support during those years was derived from gross investment income. Therefore, the taxpayer is not described in Code section 509(a)(2) for its taxable year beginning January 1, 1990. Moreover, it is not an organization described in Code section 509(a)(1), (3), or (4). Thus, the taxpayer became a private foundation on January 1, 1990.

Enclosed is an executed power of attorney authorizing me to act on the taxpayer's behalf with regard to this matter. If you have any questions, please do not hesitate to call. If you propose not to issue the requested determination letter, I request a telephone conference to discuss your concerns.

This correspondence and the requested determination letter should not be subject to Code section 6110 disclosure, since Code section 6104 applies. See section 8.11 of Rev. Proc. 90-4, 1990-2 I.R.B. at 16. Accordingly, no section 6110 disclosure statement is provided.

Sincerely,



Daniel R. McKeithen

cc: Buford C. Holt, President  
Metropolitan Health Council  
of Indianapolis, Inc.

DRM/lhs

Enclosures

District Director  
Internal Revenue Service

Date:

OCT 13 1970

In reply refer to:

442:19:JJR

CIN:EO:70:540



*File* →

The Metropolitan Health Council of  
Indianapolis, Inc.  
c/o Dr. Raymond H. Murray  
950 Locke St., Marion Co. General Hospital  
Indianapolis, Indiana 46202

Gentlemen:

Based on information supplied, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code as it is shown that you are organized and will be operated exclusively for charitable purposes.

This determination assumes your operations will be as stated in your exemption application. Any changes in operations from those described, or in your character or purposes, must be reported immediately to our office for consideration of their effect upon your exempt status. You must also report any change in your name or address.

In this letter we are not determining whether you are a private foundation as defined in new section 509(a) of the Code. When regulations are developed to implement the provisions of section 509 of the Code, we will let you know how to establish your foundation status if you believe you are not a private foundation.

For years beginning prior to January 1, 1970, you are required to file an information return, Form 990-A. For each subsequent year, please refer to the instructions accompanying the Form 990-A for that particular year to determine whether you are required to file. If filing is required, you must file the Form 990-A by the 15th day of the fifth month after the close of your annual accounting period, December 31.

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. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in section 513 of the Code.



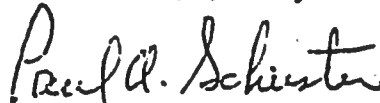
You are not liable for Federal unemployment taxes. You are liable for social security taxes only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes as provided under sections 2055, 2106, and 2522 of the Code.

This determination is based on evidence that your funds are dedicated to the purposes set out in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for the purposes specified therein. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be positive evidence that the funds remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

This is a determination letter.

Very truly yours,



Paul A. Schuster  
District Director

Department of the Treasury

Phone: (513) 684-2826

District Director

Internal Revenue Service

Date:

JUN 28 1972

In reply refer to:

442:22: RTB

CIN:EO:72:981

> The Metropolitan Health Council of Indianapolis, Inc.  
c/o Dr. Raymond H. Murray  
Marion County General Hospital  
950 Locke Street  
Indianapolis, IN 46202



Gentlemen:

By our determination letter dated October 13, 1970, you were granted exemption from Federal income tax under section 501(c)(3) of the 1954 Code.

In that letter we made no determination as to whether you are a private foundation as defined in new section 509(a) of the Code. It was also stated in that letter that we would let you know how to establish your foundation status if you believe you are not a private foundation.

We have reevaluated your foundation status notice and have determined you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization described in section 170(b)(1)(A)(vi).

Very truly yours,

*Paul A. Schuster*  
Paul A. Schuster  
District Director

LONG _____	ESB _____	CARTER _____
HASKETT _____	INDIANAPOLIS _____	BRIDGEMAN _____
SHEERIN _____	RECEIVED _____	LANGDON _____
WALLISA _____		ROMETSON _____
BRUMER _____	JUL 6 1972 _____	SHAW _____
DOSTER _____		
JOHNSON _____	SHARON _____	
LUDWIG _____	TAYLOR _____	MCDONALD _____
OLEWICK _____		PETERSON _____
PATTEN _____	BEHRMANN _____	SEITZ _____
PETT _____	INGHAM _____	LIBRARY _____