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April 19, 1985

John D. Hay
The Boulder School
1622 18th Street
Boulder, Colorado 80302

Re: The Boulder School

Dear John:

Congratulations on obtaining tax exempt status for the school. Now donations are fully deductible (to the extent they do not exceed 50% of the donor's adjusted gross income).

It is important to keep in mind that the tax exempt status does not necessarily last forever. The IRS may audit the school to ascertain if it continues to meet the requirements for tax exempt status. Thus, it is important to abide by the record keeping and other requirements of Revenue Procedure 75-50, a copy of which was furnished to you.

Generally, the school is required to (i) continue to publish the Notice of Nondiscriminatory Policy in the newspaper at least once each year during the school registration period; (ii) make sure all brochures, pamphlets, etc. contain such a notice; and (iii) maintain records for a minimum of three years (beginning with the year after compilation of the records) indicating the racial composition of the student body, faculty, and staff for each academic year; records to document that financial assistance is awarded on a racially nondiscriminatory basis; maintain copies of all brochures, etc. dealing with student admissions, programs, and scholarships; and copies of all materials used by the school to solicit contributions. Please refer to the Revenue Procedure for specific details.

Incidentally, I noticed that the school's checks have "Inc." after the school name. Although the school is a corporation, it does not have "Inc." as a part of its name as registered with the Secretary of State or IRS. A non-profit corporation is not required to use "Inc." or any of the other

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terms used by other corporations to indicate that they are corporations. I don't see any problem with using the checks until you can obtain new ones.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jeffrey L. Beattie', with a long horizontal flourish extending to the right.

Jeffrey L. Beattie

JLB:fa