

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 06 2006

THE MARCUS L RUSCITTO CHARITABLE  
FOUNDATION  
C/O M SCOTT ZEGER  
436 SEVENTH AVE  
PITTSBURGH, PA 15219-0000

Employer Identification Number:  
20-1405164  
DLN:  
17053129022016  
Contact Person:  
RAMACHANDRAN MANOHAR ID# 31344  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Effective Date of Exemption:  
July 23, 2004

Dear Applicant:

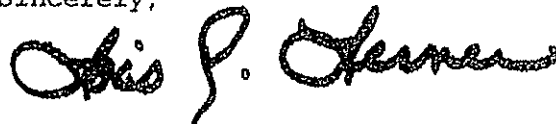
We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a private foundation within the meaning of section 509(a) of the Code. You are required to file Form 990-PF annually.

Please see enclosed Information for Private Foundations Exempt Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization. You can obtain information about private foundation status by requesting Publication 578, Tax Information for Private Foundations and Foundation Managers.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure: Information for Private Foundations Exempt Under Section 501(c)(3)

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INFORMATION FOR PRIVATE FOUNDATIONS EXEMPT UNDER SECTION 501(C)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at [www.irs.gov](http://www.irs.gov), and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve your organization, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

You are required to file Form 990-PF, Return of Private Foundation. Form 990-PF is filed with the Ogden Submission Processing Center, Ogden, UT 84201-0027.

Form 990-PF requires that the tax imposed by section 4940 of the Code on investment income be computed. If you owe this tax, payment should accompany your return.

The return must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see the Form 990-PF instructions or call our toll free number.

EXCISE TAXES

You may be liable for excise taxes on taxable expenditures, failure to distribute income, self-dealing, jeopardizing investments, and excess business holdings imposed by Chapter 42 of the Code. For information about which situations call for the payment of these taxes, refer to Publication 578, Tax Information for Private Foundations and Foundation Managers.

If you are liable for these taxes, you will be required to file Form 4720, Return of Certain Excise Taxes on Charities and Other Persons under Chapter 41 and 42 of the Internal Revenue Code. The return must be filed with the Ogden Submission Processing Center, Ogden, UT 84201-0027 by the 15th day of the fifth

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month after the end of your annual accounting period.

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990-PF, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by

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providing a written statement listing any cash contribution or describing any donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

### CONTRIBUTIONS OF MORE THAN \$75 AND CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

### EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file

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for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

### GRANTS TO ORGANIZATIONS

To assure your continued exemption, you should keep records to show that funds are spent only for charitable purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3) and whether they are classified as public charities or private foundations.

### GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

### ADVANCE APPROVAL OF GRANTS

The taxable expenditure rules under section 4945(d)(3) of the Code require that grants awarded by private foundations to individuals for travel, study or other similar purposes, must be approved in advance by the Internal Revenue Service. Grants to individuals that require advance approval include scholarships, fellowships, educational loans, and grants to achieve a specific objective, produce a report, or improve or enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill, or talent of the grantee.

Advance approval is a one-time approval of your system of standards and procedures for awarding grants. Approval will apply to succeeding grant programs if the standards and procedures under which they are conducted do not differ materially from those described in your request for advance approval.

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If your scholarship or educational loan program is employer-related, your standards and procedures must meet the requirements under Rev. Proc. 76-47, 1976-2 C.B. 670, applicable to scholarship programs or Rev. Proc. 80-39, 1980-2 C.B. 772, applicable to educational loan programs. An employer-related grant program is one that provides grants to an employee or to a child of an employee of a particular employer to which the program relates. In addition to seven conditions provided in the revenue procedures, your grant program must meet the applicable percentage test to demonstrate that grants you provide are not taxable expenditures. If the percentage test is not met, a facts and circumstances test may be substituted to establish the primary purpose of your program. The percentage tests follow:

1. Under the 25 percent test, the number of grants awarded in any year to children of employees cannot exceed 25 percent of the number of employees' children who were eligible, were applicants for such grants, and were considered by the selection committee in selecting the recipients of grants in that year.
2. Under the 10 percent test, the number of grants awarded in any year to children of employees cannot exceed 10 percent of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application). Moreover, in applying the 10 percent test applicable to employees' children, eligible children are those who meet the eligibility standards described in Rev. Proc. 85-51, 1985-2 C.B. 717.
3. Under the 10 percent test, the number of grants awarded in any year to employees cannot exceed 10 percent of the number of employees who were eligible, were applicants for such grants, and were considered by the selection committee in selecting the recipients of grants in that year.

TERMINATION OF PRIVATE FOUNDATION STATUS

If you want to be reclassified as a public charity, you must notify us of your plan to terminate your private foundation classification under section 507 of the Code. Publication 578, Tax Information for Private Foundations and Foundation Managers, provides additional information about this process.