

Internal Revenue Service
District Director

Department of the Treasury

Post Office Box 1680, GPO
Brooklyn, NY 11202

Date: MAR 24 1995

Morris & Nellie L. Kowaler
Foundation
c/o Zabelle
PO Box 431
Millerton, NY 12546

Person to Contact:
D. Duncan
Contact Telephone Number:
(718) 431-0371
Refer Reply to:
EO: 7223
Form: 990-PF
Employer Identification
Number:
13-3442495
Period Ended:
December 31, 1992
Exemption under section
501(c)(3) of the Internal
Revenue Code

Dear Taxpayer:

Our recent examination of the above Information Return disclosed that your organization continues to qualify for exemption from Federal income tax. Also we have determined that there is no change in your liability for the excise taxes applicable to private foundations under section 4940 through 4945 of the Internal Revenue Code or for the tax on unrelated business income provided for under sections 511 through 515 of the Internal Revenue Code. Accordingly, the returns are accepted as filed.

However, based upon this examination we have determined that your organization has certain areas of non-compliance which, not corrected could have an adverse effect on your tax exempt status.

The attached is an integral part of this examination letter.

It was noted that you organization failed to adequately maintain your minutes of meetings. In the future please ensure that copies of all minutes are persevered.

In reviewing your Form 990-PF filed for the period ending December 31, 1992 we have noted several areas which need to be corrected for future periods.

1) You are required to Allocate Expenses between Investment Income & Charitable purposes expense where applicable.

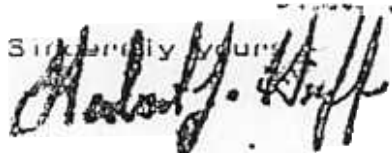
2) Minimum Investment Return must be calculated using an Average (monthly) of all security & cash balances.

3) Annual Notice Publication under Section 6104(d) must contain a phone number.

In the future please ensure that all noted areas are complied with.

Thank you for your cooperation.

Sincerely yours

A handwritten signature in black ink, appearing to read "Stanley J. Huff". The signature is written in a cursive style and is positioned over the printed text "Sincerely yours".

District Director