

Explanation

You explained that there are two organizations with separate missions and that we have mistakenly melded the two in our proposed adverse letter. The Open EMR project produces and distributes the OpenEMR software and you support the charitable side of OpenEMR. You also explained that the two organizations have separate websites and that it is notable that the list of certified OpenEMR developers and vendors are not linked to your website. However, your website home page provides links to the OpenEMR project where users of the software can find developers and vendors for the software.

The separation between you and OpenEMR was not overlooked. Because you support the OpenEMR project and the software that is produced, distributed and maintained by the vendors, you are not operating exclusively for charitable purposes. Although you do not oversee the OpenEMR project, you provide support which benefits both for-profit and charitable interests.

To be exempt under Section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more exempt purposes specified in the section. Although "exclusively" does not mean "solely" or "without exception," the presence of a single nonexempt purpose, if substantial, will preclude exemption regardless of the number or importance of exempt purposes, see Better Business Bureau of Washington, D.C., Inc. v. United States. An organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities that accomplish one or more purposes specified in Section 501(c)(3). For these reasons, and as explained in the proposed denial letter, you are not exempt under Section 501(c)(3).