Form **1024**
(Rev August 1993)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120

OMB No. 1545-0057
Expires 5-31-96

If exempt status is approved, this application will be open for public inspection

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.

Complete the Procedural Checklist on page 5 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.) **Submit only the schedule that applies to your organization. Do not submit blank schedules.**

Check the appropriate box below to indicate the section under which the organization is applying:

a ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 7)

b ☒ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)

c ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)

d ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)

e ☐ Section 501(c)(7)—Social clubs (Schedule D, page 11)

f ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)

g ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)

h ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)

i ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)

j ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)

k ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)

l ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)

m ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)

n ☐ Section 501(c)(20)—Trust/organization for prepaid group legal services (Parts I, II, and Schedule M page 23) See **Change To Note** on page 1 of the instructions

o ☐ Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

p ☐ Section 120—Qualified group legal services plans (Part I and Schedule L, page 21) See **Change To Note** on page 1 of the instructions

1a	Full name of organization (as shown in organizing document) Council on American-Islamic Relations, Inc.	2 Employer identification number (if none, see Specific Instructions) 52 1887951
1b	c/o Name (if applicable)	
1c	Address (number and street) 1511 K Street, N.W., Suite 807	
1d	City or town, county, state, and ZIP code Washington, D.C. 20005	3 Name and telephone number (including area code) of person to be contacted during business hours if more information is needed Nihad Awad (202) 638-6340
4	Month the annual accounting period ends December	5 Date incorporated or formed September 15, 1994
		6 Activity codes (see back cover) 431 | 125 | 123

7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? ☐ Yes ☒ No
If "Yes," attach an explanation.

8 Has the organization filed Federal income tax returns or exempt organization information returns? . . . . . ☒ Yes ☐ No
If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.
Form 990, 1994, Philadelphia

9 Check the box for the type of organization. BE SURE TO ATTACH A CONFORMED COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

a ☒ Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.

b ☐ Trust—Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c ☐ Association—Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here . . . . . ▶ ☐

Under the penalties of perjury I declare that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

PLEASE SIGN HERE ▶ NIHAD AWAD* (Signature) Executive Director (Title or authority of signer) EXEC. DIR. 5/16/96 (Date)

One and the same as Nehad Hammad (see Name Affidavit at Attachment C)

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Part II. Activities and Operational Information (Must be completed by all applicants other than those applying under section 120.)

1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

The Corporation's activities are focused on improving and promoting a positive image of Islam and Muslims in America. These public relations goals are achieved mainly through publications such as (i) Action Alerts, which contain media advisories or calls to action; (ii) CAIR News, a quarterly newsletter; (iii) Informative pamphlets; (iv) publicity resource kits; or (v) more extensive reports, such as the September, 1995, Special Report entitled "A Rush to Judgment" concerning Anti-Muslim stereotyping, harrassment and hate crimes following the bombing of Oklahoma City's Murrah Federal Building. (copies of these publications are attached hereto)

The Corporation also conducts research on subjects relevant to the American Muslim community, works through legal advisors and local activists to fight discrimination against Muslims in America, and offers seminars, training and internships to individuals interested in learning effective media and public relations techniques for promoting mutual respect and good relations between varying faiths.

2 List the organization's present and future sources of financial support, beginning with the largest source first.

The largest source of financial support is derived from membership dues ($25.00 for individuals, $50.00 for a family, $100.00 for an organization, and $10.00 for students/low income) and donations from individual members. The largest two such donations were each for the sum of $14,985.00. The Corporation also derives financial support through fund-raisers, such as the dinner which was held on October 8, 1995 at the Holiday Inn in Tyson's Corner, Virginia. It is anticipated that support will continue in this manner in the future.

Part II. Activities and Operational Information (continued)

3 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.		b Annual compensation
i. Nehad Hammad Director, Secretary/Treasurer 5804 Merton Court, Suite 82 Alexandria, Virginia 22311		i. $40,000 + insurance benefits
ii. Rafeeq Jaber * Director, Vice President 9748 South Meade Oak Lawn, Illinois 60453	*resigned, replacement elected by Resolution on 06/10/96: Ihsan Bagby, 2417 Voyager Circle, Raleigh, NC 27603 See Attachment D hereto	ii. N/A* *N/A
iii. Omar Ahmed Director, President 3335 Homestead Road, Unit 46 Santa Clara, California 95051		iii. N/A

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

N/A

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

Council on American-Islamic Relations Foundation, Inc. was incorporated on October 12, 1994 under the District of Columbia Nonprofit Corporaiton Act as a Section 501(c)(3) organization, but has been inactive since that date. This Corporation has the same officers and directors as set forth in 3a. above. It has no employees. While there is an intent to share financial support in the future, no such sharing is occurring at this time.

6 If the organization has capital stock issued and outstanding, state: (1) class or classes of the stock; (2) number and par value of the shares; (3) consideration for which they were issued; and (4) whether any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

N/A

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

The Corporation has one class of non-voting members. Membership is voluntary and open to anyone, regardless of sex, race, creed or natural origin, who shares the same goals as the Corporation.

8 Explain how your organization's assets will be distributed on dissolution.

After paying or making provision for the payment of all liabilities of the Corporation, the Board of Directors or a Court of jurisdiction shall dispose of the assets exclusively for the same social welfare purposes as the Corporation, or to such organizations operated exclusively for the promotion of social welfare under Section 501 (c)(4) of the Internal Revenue Code.

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Part II. Activities and Operational Information (continued)

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? . . . . . ☐ Yes ☒ No
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? ☐ Yes ☒ No
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? . . . . . ☐ Yes ☒ No
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? . . . . . ☐ Yes ☒ No
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? . . . . . ☐ Yes ☒ No
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property? . . . . . ☒ Yes ☐ No
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement.
The Corporation currently leases the premises at Suite 807, 1511 K Street, N.W., Washington, D.C. 20005, for $1,164.50 basic monthly rent from LK 1511 L.P., to which the Corporation has no other relationship. The Corporation also leases a copier for $158.00 per month from American Business Credit Corporation, and a Postal Meter from Pitney Bowes.

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? . . ☐ Yes ☒ No
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? . . . . . ☒ Yes ☐ No
If "Yes," attach a recent copy of each.
Attached hereto at TAB

Part III. Financial Data (Must be completed by all applicants other than those applying under section 501(c)(20) or 120.)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

	Revenue	(a) Current Tax Year From JAN to To MAR 96	3 Prior Tax Years or Proposed Budget for Next 2 Years (b) 1995	(c) 1994	(d) 19	(e) Total
1	Gross dues and assessments of members	5465	15535	545		
2	Gross contributions, gifts, etc.	111027	257588	90299		
3	Gross amounts derived from activities related to the organization's exempt purpose (attach schedule)					
4	Gross amounts from unrelated business activities (attach schedule)		1350			
5	Gain from sale of assets, excluding inventory items (attach schedule)					
6	Investment income (see instructions)					
7	Other revenue (attach schedule)					
8	Total revenue (add lines 1 through 7)	116492	274473	90844		
	Expenses					
9	Expenses attributable to activities related to the organization's exempt purposes	23626	93330	20604		
10	Expenses attributable to unrelated business activities					
11	Contributions, gifts, grants, and similar amounts paid (attach schedule)					
12	Disbursements to or for the benefit of members (attach schedule)					
13	Compensation of officers, directors, and trustees (attach schedule)	10000	40000	18333		
14	Other salaries and wages	3342	58971	21986		
15	Interest					
16	Occupancy	1647	14239	8155		
17	Depreciation and depletion					
18	Other expenses (attach schedule)	3139	11808	5054		
19	Total expenses (add lines 9 through 18)	63754	218348	74132		
20	Excess of revenue over expenses (line 8 minus line 19)	52738	56125	16712		

B. Balance Sheet (at the end of the period shown)

	Assets		Current Tax Year as of MAR 31, 1996
1	Cash	1	78133
2	Accounts receivable, net	2	
3	Inventories	3	
4	Bonds and notes receivable (attach schedule)	4	
5	Corporate stocks	5	
6	Mortgage loans (attach schedule)	6	
7	Other investments (attach schedule) INVESTMENT WITH INFO COMM-TEXAS	7	40000
8	Depreciable and depletable assets (attach schedule)	8	
9	Land	9	
10	Other assets (attach schedule)	10	10870
11	**Total assets**	11	129003
	Liabilities		
12	Accounts payable	12	3428
13	Contributions, gifts, grants, etc. payable	13	
14	Mortgages and notes payable (attach schedule)	14	
15	Other liabilities (attach schedule)	15	
16	**Total liabilities**	16	3428
	Fund Balances or Net Assets		
17	Total fund balances or net assets	17	125575
18	**Total liabilities and fund balances or net assets** (add line 16 and line 17)	18	129003

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation. ▶ ☐

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Schedule B **Organizations described in section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)**

1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in item 4 of Part II) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . . . . ☐ Yes ☒ No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation

2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium, buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? . . . . . ☐ Yes ☒ No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II (pages 2, 3, and 4), enter the page and item number here.)

3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? . . . . . ☐ Yes ☒ No

N/A
If "Yes," explain.

4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A