

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056

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 you.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) Kashmiri American Council, Inc.		2 Employer identification number (If none, see instructions.) 52 1669147
1b c/o Name (if applicable)	3 Name and telephone number of person to be contacted if additional information is needed J. William Gray, Jr. (804) 788-8641	
1c Address (number and street) 733 15th Street N.W., Suite 1100	4 Month the annual accounting period ends December	
1d City or town, state, and ZIP code Washington, D.C. 20005	6 Activity codes (See instructions.) 430	
5 Date incorporated or formed April 13, 1990	7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)	
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form number(s), years filed, and Internal Revenue office where filed. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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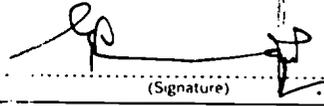
10 Check the box for your type of organization. **BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.**

- a Corporation— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate state official; also include a copy of your bylaws.
- b Trust— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of your Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of your bylaws.

If you are a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury 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


(Signature)

Executive Director
(Title or authority of signer)

7/31/91
(Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the instructions) prior to filing.

Part II Activities and Operational Information

- 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 your 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 organization aims to educate the American public and leadership about the issue of Kashmir which is subject to two unenforced UN Resolutions of 1948 and 1949. Toward this end of creating awareness about the need for restoring the right of self-determination of the Kashmiri people, the Kashmiri American Council (KAC) has a program of publications and direct personal contact through one-to-one meetings and public gatherings. KAC has published and continues to produce and distribute a number of background information brochures and booklets, has placed newspaper advertisements, and has held meetings with the general public, academicians, and media.

KAC organizes its annual General Assembly, holds periodic Board of Directors meetings, and holds fundraising and informational meetings in various cities across the U.S.

KAC commenced these activities on a regular basis and continues to operate on the line detailed above.

- 2 What are or will be the organization's sources of financial support? List in order of size.

Member and general public donations, membership fees and investment income.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. (Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc.) Attach representative copies of solicitations for financial support.

KAC raises funds through numerous means, including mass mailings appealing for donations, personal solicitations of potential donors who may be sympathetic to the case of the Kashmiri people, fundraising events, and advertisements in community and ethnic media. Representative copies are attached.

Kashmiri American Council, Inc.
733 Fifteenth Street N.W., Suite 1100
Washington, D.C. 20005
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Attachment to Form 1023

1., 3. and 10b. Examples of solicitations of financial support and members for KAC and informational brochures and publications prepared and distributed by KAC.

Part II Activities and Operational Information (Continued)

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

a Names, addresses, and titles of officers, directors, trustees, etc.

See attachment

b Annual Compensation

See attachment

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

If "Yes," name those persons and explain the basis of their selection or appointment.

Yes No

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See the Specific Instructions for line 4d.)

If "Yes," explain.

Yes No

Dr. M. Akram Dar, secretary-treasurer and director, and Dr. A. R. Mir, director, have contributed more than \$5,000 each and more than 2% of KAC's total contributions.

5 Does the organization control or is it controlled by any other organization?

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship to another organization by reason of interlocking directorates or other factors?

If either of these questions is answered "Yes," explain.

Yes No

Yes No

KAC is the sole corporate member of Kashmiri American Foundation, a Virginia nonstock corporation that is applying for tax exemption under Section 501(c)(4). As sole member, KAC has the power to appoint the Foundation's board of directors. The Foundation will carry out educational and lobbying activities at the legislative and administrative levels of the U.S. Government.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?

If "Yes," explain fully and identify the other organization(s) involved.

Yes No

KAC and the Kashmiri American Foundation (described in item 5 above) share office space, mailing lists, paid employees, facilities and services. The Foundation reimburses KAC for 20% of expenses. KAC's records indicate that the Foundation's share of office expenses has never exceeded that percentage and has generally been in the 5% to 10% range.

7 Is the organization financially accountable to any other organization?

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Yes No

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

N/A

9a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of each such contract and explain the relationship between the applicant and each of the other parties.

KAC leases office space in Washington, D.C. from an unrelated lessor. A copy of the lease agreement is attached.

10 Is the organization a membership organization? Yes No

If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.
KAC membership is open to all adults who support the purposes of KAC, apply for admission to membership, and pay annual dues set by the Board of Directors. The Board does not discriminate on the basis of religion, ethnic origin or other impermissible factors in admitting members.

b Describe your present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

KAC strives to recruit members through personal contacts, mailings, and published material (see attached).

c What benefits do (or will) your members receive in exchange for their payment of dues?

KAC members are entitled to vote on the election of directors and to receive information about KAC's activities.

11a If the organization provides benefits, services or products, are the recipients required, or will they be required, to pay for them? N/A Yes No

If "Yes," explain; show how the charges are determined; and attach a copy of your current fee schedule.

b Does or will the organization limit its benefits, services or products to specific individuals or classes of individuals? N/A Yes No

If "Yes," explain how the recipients or beneficiaries are or will be selected.

12 Does or will the organization attempt to influence legislation? Yes No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds which it devotes or plans to devote to this activity.

13 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No

If "Yes," explain fully.

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4a. The directors of KAC, some of whom are officers, are:

Dr. Ghulam Hassan Bhat

Dr. M. Akram Dar, Secretary-Treasurer

Dr. M. Y. Fazili

Dr. A. R. Mir

Dr. Parvaiz Mir

Ms. Safia Qadri

Dr. M. Ashraf Sahaf, President

4b. All the individuals named above serve in their respective offices without compensation. In addition, Dr. Ghulam Nabi Fai serves as executive director of KAC, at a salary of \$40,000 per year.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed? Yes No
If you answer "Yes," do not answer questions 2 through 6.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- (a) Is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;
- (b) Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or,
- (c) Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? Yes No

4 If you answer "Yes" to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed.

5 If you answer "No" to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed? Yes No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

7 Is the organization a private foundation?

- Yes (Answer question 8.)
 No (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, do you claim to be a private operating foundation?

- Yes (Complete Schedule E)
 No

After answering this question, go to Part IV.

9 If you answer "No" to question 7, indicate the public charity classification you are requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| (a) <input type="checkbox"/> As a church or a convention or association of churches (MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| (b) <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| (c) <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| (d) <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| (e) <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in (a) through (d), (g), (h), or (i) (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| (f) <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| (g) <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| (h) <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| (i) <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| (j) <input type="checkbox"/> We are a publicly supported organization but are not sure whether we meet the public support test of block (h) or block (i). We would like the Internal Revenue Service to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes (a) through (f) in question 9, go to question 14.
 If you checked box (g) in question 9, go to questions 11 and 12.
 If you checked box (h), (i), or (j), go to question 10.

Part III Technical Requirements (Continued)

- 10** If you checked box (h), (i), or (j) in question 9, have you completed a tax year of at least 8 months?
- No—You must request an advance ruling by completing and signing 2 Forms 872-C and attaching them to your application.
 - Yes—Indicate whether you are requesting:
 - A definitive ruling (Answer question 11 through and including question 14.)
 - An advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-C completed and signed.)

- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of each such grant.

N/A

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:

- a Enter 2% of line 8, column (e) of Part IV-A _____
- b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount you entered on line 12a above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here and:

- a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each person who is a "disqualified person."
- b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

- 14** Indicate if your organization is one of the following, and if so, complete the required schedule. (Submit only those schedules, if any, that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization an operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part IV Financial Data

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

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From to 1991	(b) 19 90	(c) 19 92	(d) 19	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see instructions)	\$257,458	\$214,548	\$308,949		
2 Membership fees received	15,000	12,500	18,000		
3 Gross investment income (see instructions for definition)	893	744	1,071		
4 Net income from organization's unrelated business activities not included on line 3	-0-	-0-	-0-		
5 Tax revenues levied for and either paid to or spent on behalf of the organization	-0-	-0-	-0-		
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	-0-	-0-	-0-		
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	-0-	-0-	-0-		
8 Total of lines 1 through 7	273,351	227,792	328,020		227,792
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513	-0-	-0-	-0-		Amount used for 2% for line 12 of page 7
10 Total of lines 8 and 9	273,351	227,792	328,020		829,163
11 Gain or loss from sale of capital assets (attach schedule)					-0-
12 Unusual grants					-0-
13 Total revenue (add lines 10 through 12)	273,351	227,792	328,020		829,163
Expenses					
14 Fundraising expenses	-0-	6,884	-0-		
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	-0-	-0-	-0-		
16 Disbursements to or for benefit of members (attach schedule)	-0-	-0-	-0-		
17 Compensation of officers, directors, and trustees (attach schedule)	40,000	-0-	44,000		
18 Other salaries and wages	7,599	6,908	8,358		
19 Interest	-0-	-0-	-0-		
20 Occupancy (rent, utilities, etc.)	15,038	13,671	16,542		
21 Depreciation and depletion	2,069	1,881	2,276		
22 Other (attach schedule) A	137,755	125,232	151,531		
23 Total expenses	202,461	154,576	222,709		
24 Excess of revenue over expenses (line 13 minus line 23)	70,890	73,216	105,311		

Part IV Financial Data (Continued)

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

Current tax year
Date 12/31/90

Assets			
1	Cash	1	33,910
2	Accounts receivable, net	2	31,769
3	Inventories	3	-0-
4	Bonds and notes receivable (attach schedule)	4	-0-
5	Corporate stocks (attach schedule)	5	-0-
6	Mortgage loans (attach schedule)	6	-0-
7	Other investments (attach schedule)	7	-0-
8	Depreciable and depletable assets (attach schedule) (30,059-2,523) see Schedule B	8	27,536
9	Land	9	-0-
10	Other assets (attach schedule)	10	-0-
11	Total assets	11	93,215
Liabilities			
12	Accounts payable	12	-0-
13	Contributions, gifts, grants, etc., payable	13	-0-
14	Mortgages and notes payable (attach schedule)	14	20,000
15	Other liabilities (attach schedule)	15	-0-
16	Total liabilities	16	20,000
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	73,215
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18	93,215

If there has been any substantial change in any aspect of your financial activities since the end of the period shown above, check the box and attach a detailed explanation

Schedule A.—Churches

1 Provide a brief history of the development of the organization, including the reasons for its formation.

2 Does the organization have a written creed or statement of faith? Yes No
If "Yes," attach a copy.

3 Does the organization require prospective members to renounce other religious beliefs or their membership in other churches or religious orders to become members? Yes No

4 Does the organization have a formal code of doctrine and discipline for its members? Yes No
If "Yes," describe.

5 Describe your form of worship and attach a schedule of your worship services.

6 Are your services open to the public? Yes No
If "Yes," describe how you publicize your services and explain your criteria for admittance.

7 Explain how you attract new members.

8 (a) How many active members are currently enrolled in your church?

(b) What is the average attendance at your worship services?

9 In addition to your worship services, what other religious services (such as baptisms, weddings, funerals, etc.) do you conduct?

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Schedule A

<u>Description</u>	<u>Actual</u> <u>1990</u>	<u>Budget</u> <u>1991</u>	<u>Budget</u> <u>1992</u>
Expenses			
Public Relations	\$ 28,313	\$ 31,034	\$ 34,138
Newsletter	4,879	5,367	5,903
Meetings & Conferences	1,120	1,232	1,355
Press Releases	1,355	1,490	1,639
Printings	36,876	40,564	44,620
Audio Visual	4,147	4,562	5,018
Rallies	1,923	2,116	2,327
Professional Library	277	304	335
Temporary Service	268	295	324
Legal Fees	2,589	2,847	3,132
Accounting	1,960	2,156	2,372
Office Supplies	12,675	13,943	15,337
Postage and Courier	13,539	14,893	16,383
Hospitality	275	303	333
Travel	248	272	300
Telephone/Fax	11,830	13,012	14,315
Repair & Maintenance	2,492	2,741	3,015
Bank Charges	311	342	376
Dues & Subscriptions	196	216	237
Miscellaneous Expense	<u>59</u>	<u>66</u>	<u>72</u>
Total Expenses	\$125,232	\$137,755	\$151,531

SCHEDULE-B

KASHMIRI AMERICAN COUNCIL
 STATEMENT OF FIXED ASSETS
 FOR THE YEAR ENDING DEC.1990
 LINE 8 PART IV-B
 FORM 1023, BALANCE SHEET
 FED ID# 52-1669147

FURNITURE & OFFICE EQUIPMENT

DESCRIPTION	PURCHASE PRICE	PURCHASE DATE	DEPR. METHOD	DEPR. AMOUNT	BOOK VALUE
FAX MACHINE	885.00	MAY,12	SL/7YRS	73.74	811.26
PHOTOCOPIER	18487.50	MAY,12	SL/7YRS	1565.62	16921.88
EXPO SYSTEM	3398.88	SEP,10	SL/7YRS	161.85	3237.03
FAX MACHINE	1379.00	APR,19	SL/7YRS	131.33	1247.67
CHAIRS	463.87	JUL,08	SL/7YRS	27.60	436.27
TABLES	750.00	NOV,07	SL/7YRS	17.85	732.15
TOTAL	25364.25	0.00	0.00	1977.99	23386.26

COMPUTER & PRINTERS

IBM-286	1765.00	APR,16	SL/5YRS	235.33	1529.67
MICRO COMPUTER	1625.00	JUL,25	SL/5YRS	135.41	1489.59
LASER PRINTER	950.00	APR,17	SL/5YRS	126.66	823.34
EPSON PRINTER	355.00	APR,19	SL/5YRS	47.33	307.67
TOTAL	4695.00	0.00	0.00	544.73	4150.27
G. TOTAL	30059.25	0.00	0.00	2522.72	27536.53

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Schedule C

Notes Payable

<u>Lender's Name</u>	<u>Loan Purpose</u>	<u>Repayment Terms</u>	<u>Interest Rate</u>	<u>Original Amount</u>
North American Islamic Trust, Indianapolis, Indiana	Payment of operating expenses	Due at end of one year	None	\$20,000

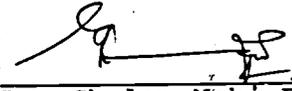
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I certify that the attached copy of "Kashmiri American Council, Inc., Articles of Incorporation" and the accompanying acknowledgment of the Maryland State Department of Assessments and Taxation are true, correct and complete copies.

Kashmiri American Council, Inc.

By 

Dr. Ghulam Nabi Fai,
Executive Director

Kashmiri American Council
733-15th Street, NW Suite 1100, Washington, DC 20005
(202)628-6789

June 6, 1991

The copy of the Certificate of Incorporation is a complete and accurate copy of the original signed and dated document.



Dr. Ghulam Nabi Fai
Executive Director