

Shoreline Neighborhood Association Presentation

**City of Shoreline, Washington
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I. WASHINGTON STATE LAW ISSUES REGARDING NONPROFITS

A. Associations

1. Governance Considerations

- a. A nonprofit association consists of two or more members joined by mutual consent for a common, nonprofit purpose.
- b. Although an association is not required to file Articles of Incorporation with the State, it should adopt Articles of Association or Bylaws to define and govern the association's internal procedures.

2. Advantages

- a. Less formality in organization
- b. No State filing or ongoing reporting requirements
- c. Incorporation not required to apply for tax-exempt status

3. Disadvantages

a. Risk of personal liability for directors, officers, or members

Directors, officers, or members of the association may be personally liable for any damages relating to the association's activities, including personal injury, property damage, or contractual liability. An association does not have a separate legal identity apart from its individual members. The association's obligations are generally held to be the joint obligations of its members. This means that an individual's assets may be seized to pay for damages, to satisfy debts and contractual obligations of the association.

b. Legal actions

An unincorporated association must appear in court in the name of the participating individuals, such as directors, officers, or members. Individuals are often reluctant to have their names associated with lawsuits.

c. Difficulty with property rights

Associations are not legal entities that can hold property in the entity's own name. Instead, property will be held in the name of the individuals who are members of the association, which may

result in arguments over ownership rights in the property. It may be difficult to obtain a bank account in the name of an association.

d. Changes in membership affect organizational continuity

Each time a member joins or leaves the association, the entity changes. Other parties may be unwilling to enter into contracts with associations, because the “entity” they would be dealing with is in a constant state of flux. The informality of associations may also make it difficult for the organization to attract donations and to perpetuate itself when certain individuals leave.

B. Corporations

1. Advantages

a. Liability Protection

Incorporating allows the entity to be liable for its obligations, rather than the individual directors, officers, or members of the corporation. Individuals’ liability is limited when they act on behalf of the corporation, as long as they act reasonably and in good faith.

b. Legal Actions

A corporation may sue and be sued in its corporate name. The corporation’s individual directors, officers and members are not required to be brought into a lawsuit.

c. Property Ownership

Ownership of property is held in the corporation’s name. It is often easier to obtain a bank account as a corporation.

d. Perpetual Existence

A corporation legally exists independently from its directors, officers, and members. It does not change when a member joins or leaves the corporation. Other parties may be more willing to enter into contracts with a corporation than an association.

e. Legal Guidance on Governance Issues

Corporations are formed under State corporation laws. These laws guide corporations on organizational structure, voting, and other matters. Corporations are also governed by an established body of case law.

f. Merger

If an organization desires in the future to merge with another organization, the merger process is safer and more defined if both entities are corporations.

2. Disadvantages

a. Formality

Corporations must abide by governance procedures set out in the Articles of Incorporation and Bylaws. Corporations must have a board of directors, officers, and hold meetings at least annually.

b. Filing and Reporting Requirements

State law requires corporations to file certain initial and annual reports, as described below.

c. Duties Imposed on Corporate Directors and Officers

Directors and officers must perform their corporate duties with honesty, in good faith, and with a reasonable amount of care. If they breach these duties, by using their positions in the corporation for personal financial benefit or otherwise, they may be personally liable to the corporation. All nonprofit organizations are strongly encouraged to adopt a conflict of interest policy. See the IRS sample Conflict of Interest Policy, available at: <http://www.irs.gov/instructions/i1023/ar03.html> (last visited March 3, 2008).

3. Procedures to Incorporate as a Washington Nonprofit

a. RCW 24.03: Washington Nonprofit Corporation Act

(1) Most nonprofit organizations incorporate under this statute. The statute prohibits:

- Issuing shares of stock
- Distributing net income to members, directors, or officers
- Loaning money to directors or officers

- (2) The statute requires:
- Name (cannot include “Inc.” or similar corporate designation)
 - A board of directors to manage the corporation
 - Filing Articles of Incorporation with the Secretary of State
 - Registered Agent and office address
 - Incorporator (personally liable for acts on behalf of the organization until it is incorporated)
 - Dissolution provision, designating to whom net assets will be distributed upon dissolution of the corporation

b. Articles of Incorporation

- (1) Creates the corporation under state law as of the date the Articles are file-stamped by the Secretary of State
- (2) Provisions in the Articles of Incorporation control over conflicting provisions in the Bylaws
- (3) If the corporation does not intend to apply for Section 501(c)(3) tax-exempt status, it may use the State’s form Articles, available at:
<http://www.secstate.wa.gov/corps/forms/nonprofit.pdf>
(last visited March 3, 2008).
- (4) If the corporation will apply for Section 501(c)(3) status, it must include particular provisions in the Articles of Incorporation required by the IRS. *See* Appendix 1 for Sample Articles of Incorporation.
- (5) **Required Provisions in Articles of Incorporation:**
- Corporate name
 - Purpose
 - Registered agent and office in Washington State
 - Initial director(s)
 - Incorporator(s)

- Dissolution provision

(6) Recommended Provisions:

- Limitation on director liability
- Indemnification of directors, officers and agents

c. Bylaws

- (1) Not filed with the state, but required under the Washington Nonprofit Corporation Act, and if the organization applies for Section 501(c)(3) status, Bylaws must be attached to the application
- (2) Provides rules for the corporation's governance and operation; should be consistent with Articles of Incorporation
- (3) Consider concerns for both clarity and flexibility
- (4) The Washington Nonprofit Corporation Act includes some required bylaw provisions, along with default rules that the corporation may override by providing otherwise in its Bylaws.
- (5) For corporations that will have members, *see* Appendix 2 for Sample Bylaws.

d. Hold an Organizational Meeting

- (1) Adopt the Bylaws
- (2) Elect officers
- (3) Select a bank for the corporation's account and authorize signatories for the account
- (4) Approve any legal documents (contracts, leases, and if applicable, the federal tax exemption application)
- (5) Ratify incorporators' actions and approve reimbursement of expenses

e. Apply for Federal Employer Identification Number (EIN)

- (1) Even if the corporation will not have employees, the EIN is often necessary or helpful when opening bank accounts.

An EIN is necessary before a corporation can apply for federal tax-exempt status.

- (2) To obtain an EIN, the corporation must file IRS Form SS-4 by mail, fax, or online. The online application is available at:
<http://www.irs.gov/businesses/small/article/0,,id=102767,00.html> (last visited March 5, 2008).

f. Master Business Application

- (1) In order to do business in Washington State, all corporations must file a Master Business Application with the State Department of Licensing. See Appendix 3 for the form.
- (2) Filing fee of \$15, with no renewal requirement.
- (3) Purpose of application:
 - registration with Department of Labor and Industries for industrial insurance
 - registration with Employment Security Department for unemployment insurance if the corporation will have any employees
 - tax registration, if the corporation will have revenues from sales or income other than from charitable contributions and investment income

g. Reporting Requirements

- (1) A Nonprofit Corporation Annual Report must be filed with the Secretary of State, Corporations Division. Failure to file and pay the annual fee will result in administrative dissolution of the corporation. The State will send an annual notice with the report form to the corporation's registered agent.
- (2) A nonprofit corporation may be subject to State business and occupations tax (B&O tax) and retail sales tax. In some cases, fundraising activities may be exempt.

C. Charitable Solicitation Rules

1. Registration Requirement

- a.** Most charitable organizations that solicit funds from the public in Washington State must register with the Secretary of State prior to engaging in solicitation activities.
- b.** Exceptions:
 - (1)** Organizations that solicit solely from existing members are not required to register, but new membership drives are not exempt.
 - (2)** Organizations that raise less than \$25,000 per year, where all of the organizations' activities, including fundraising, are performed by unpaid volunteers.
- c.** Registration must be renewed annually.
- d.** The organization must notify the Secretary of State of any change in information on the filing.
- e.** **See the Secretary of State Charities Program website at <http://www.secstate.wa.gov/charities>.**

2. King County Charitable Solicitation Permit

- a.** In addition to registering with Washington State, organizations soliciting funds in unincorporated King County may be required to obtain a permit by filing a King County application form. The permit should be obtained at least 30 days before beginning solicitations. Permits are valid for one year.
- b.** The organization must then file financial reports regarding charitable solicitations with King County.
- c.** See the King County website at <http://www.metrokc.gov/permits/business/charitable.aspx>.

II. FEDERAL TAX LAW ISSUES

A. Section 501(c)(3) Organizations

1. Qualification under Section 501(c)(3)

a. Exempt purpose

- “Religious, charitable, scientific, testing for public safety, literary, or educational purposes”
- “Charitable” includes:
 - relief of the poor and distressed or underprivileged; advancement of religion, education or science; erecting or maintaining public buildings, monuments, or works; lessening of the burdens of government
 - promotion of social welfare by organizations designed to accomplish any of those purposes
 - lessening neighborhood tensions
 - eliminating prejudice
 - defending human and civil rights secured by law
 - combating community deterioration and juvenile delinquency

b. Must serve public, rather than private, interests

2. Advantages

a. Receive tax-deductible contributions

- Must furnish donor acknowledgments so donors can claim the deduction

b. Receive grants from private foundations

c. No tax on net revenue

d. Favorable postage rates

3. Disadvantages

a. No inurement or private benefit

- No part of the corporation's net earnings may inure to the benefit of any private individual

b. Restrictions on lobbying and political activities

- No "substantial part" of the corporation's activities may consist of carrying on propaganda, or otherwise attempting to influence legislation
- May make a Section 501(h) election to have lobbying expenses measured by objective statutory limits
- Cannot participate or intervene in political campaigns either on behalf of or in opposition to any candidate for public office

c. Tax on unrelated business income (UBI)

- Organizations that are otherwise exempt from federal income tax are taxed on income they receive from businesses that are regularly carried on and that are not related to their exempt purposes.
- The organization must determine whether its income is from sources related to its exempt purposes, and must divide income into separate categories depending on its source.

d. Tax exemption application – IRS Form 1023

- See Appendix 4 for the Form, which is available on the IRS website at: <http://www.irs.gov/pub/irs-pdf/f1023.pdf> (last visited March 5, 2008). The instructions for the form are also available on the IRS website.
- User fee: \$750 or reduced fee of \$300
- In-depth application form; requires attachment of detailed description of the organization's current and planned activities and current and projected financial data
- Private foundation vs. public charity classification. Directors of a public charity should not be related to each other by either family or business relationship.

e. Reporting requirements

- IRS Form 990

- Organizations that normally receive less than \$25,000 in gross receipts are not required to file Form 990, but are now required to file an “e-Postcard” with the IRS. An explanation and link to the online form are available at:
<http://www.irs.gov/charities/article/0,,id=169250,00.html> (last visited March 5, 2008). Failure to file for 3 years may result in revocation of tax exemption.

B. Fiscal Sponsor Arrangements

- a. Generally, grants or contributions are made to an existing Section 501(c)(3) organization, which oversees the use of the funds.
- b. The Section 501(c)(3) organization agrees to act as a fiscal sponsor for a smaller organization. The Section 501(c)(3) organization will then grant the funds to a small organization, which must report back to the Section 501(c)(3) organization regarding use of the funds.
- c. The arrangement should be set out in a written agreement between the Section 501(c)(3) organization and the small organization.

C. Section 501(c)(4) Organizations

1. Qualification under Section 501(c)(4)

- a. **Exempt purpose**

Civic leagues or organizations operated exclusively to promote social welfare
- b. Net earnings must be devoted to charitable, educational, or recreational purposes

2. Advantages

- a. **No tax on net revenue**
- b. **Can engage in legislative activities**

3. Disadvantages

- a. **No deduction for contributions**
- b. **No inurement or private benefit**
 - No part of the corporation’s net earnings may inure to the benefit of any private individual

- c. Tax exemption application – IRS Form 1024**
 - Much simpler than IRS Form 1023 for Section 501(c)(3) organizations
- d. Reporting requirements**
 - IRS Form 990, or “e-Postcard” for small organizations

III. FURTHER READING

“How to Form and Maintain a Nonprofit Corporation in the State of Washington,” published in 2001 by the King County Bar Association, available at: <http://www.kcba.org/ScriptContent/KCBA/publications/pdf/nonprofit/NPHandbook.pdf> (last visited March 5, 2008).

Appendix 1	Articles of Incorporation Form and Sample (publication of the King County Bar Association)
Appendix 2	Sample Bylaws (publication of the King County Bar Association)
Appendix 3	Master Business Application
Appendix 4	IRS Form 1023

APPENDIX 1
ARTICLES OF INCORPORATION



**STATE OF WASHINGTON
SECRETARY OF STATE**

**APPLICATION TO FORM A
NONPROFIT CORPORATION**

(Per Chapter 24.03 RCW)

FEE: \$30

**EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY
INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS
ON OUTSIDE OF ENVELOPE**

- Please PRINT or TYPE in black ink
- Sign, date and return original AND ONE COPY to:

CORPORATIONS DIVISION
801 CAPITOL WAY SOUTH • PO BOX 40234
OLYMPIA, WA 98504-0234

- BE SURE TO INCLUDE FILING FEE. Checks should be made payable to "Secretary of State"

FOR OFFICE USE ONLY

FILED: / /	UBI:
CORPORATION NUMBER:	

IMPORTANT! Person to contact about this filing	Daytime Phone Number (with area code)
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ARTICLES OF INCORPORATION

NAME OF CORPORATION	(May contain designations such as "Association" "Services" or "Committee." May not contain a corporate designation such as "Corporation" "Incorporated" or "Limited" or the abbreviation "Corp." "Inc." "Co." or "Ltd.")
EFFECTIVE DATE OF INCORPORATION	(Specified effective date may be up to 30 days after receipt of the document by the Secretary of State) <input type="checkbox"/> Specific Date: _____ <input type="checkbox"/> Upon filing by the Secretary of State
TERM OF EXISTENCE	(Check one box only) <input type="checkbox"/> Perpetual <input type="checkbox"/> _____ Years (Please indicate number of years)
PURPOSE FOR WHICH THE NONPROFIT CORPORATION IS ORGANIZED: (If necessary, attach additional information)	
IN THE EVENT OF A VOLUNTARY DISSOLUTION, THE NET ASSETS WILL BE DISTRIBUTED AS FOLLOWS: (If necessary, attach additional information)	

NAME AND ADDRESS OF WASHINGTON STATE REGISTERED AGENT		
Name _____		
Street Address (Required) _____ City _____ State _____ ZIP _____		
PO Box (Optional - Must be in same city as street address) _____ ZIP (If different than street ZIP) _____		
<i>I consent to serve as Registered Agent in the State of Washington for the above named corporation. I understand it will be my responsibility to accept Service of Process on behalf of the corporation; to forward mail to the corporation; and to immediately notify the Office of the Secretary of State if I resign or change the Registered Office Address.</i>		
Signature of Agent	Printed Name	Date

NAMES AND ADDRESSES OF EACH INITIAL BOARD DIRECTOR (If necessary, attach additional names and addresses)		
Name _____		
Address _____ City _____ State _____ ZIP _____		

NAMES AND ADDRESSES OF EACH INCORPORATOR (If necessary, attach names, addresses and signatures of each additional incorporator)		
Name _____		
Address _____ City _____ State _____ ZIP _____		

SIGNATURE OF INCORPORATOR			
<i>This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.</i>			
Signature of Incorporator	Printed Name	Title	Date

FOR OFFICE USE ONLY

EXHIBIT A

ARTICLES OF INCORPORATION

OF

I [We], the undersigned, acting as the incorporator[s] of a corporation under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington), hereby sign and verify the following Articles of Incorporation for such corporation.

Article I: Name

The name of the corporation shall be _____
_____ (hereinafter referred to as the "Corporation").

Article II: Duration

The Corporation shall have perpetual existence.

Article III: Registered Office and Agent

The address of the initial registered office of the Corporation shall be _____
_____. The name of the initial registered agent of the Corporation at such address shall be _____.

Article IV: Purposes and Powers

Section 1. Purposes. The purposes for which this Corporation is formed are exclusively charitable, scientific, or educational and consist of the following:

A. _____.

B. _____.

C. _____.

D. _____.

E. To aid, support, and assist by gifts, contributions or otherwise, other corporations, community chests, funds and foundations organized and operated exclusively for charitable, scientific, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

F. To do any and all lawful activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments, or agencies.

Section 2. Powers. In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Corporation's Articles of Incorporation or Bylaws, the Corporation shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation's purposes.

Article V: Limitations

All of the purposes and powers of the Corporation shall be exercised exclusively for charitable, scientific, and educational purposes in such manner that the Corporation shall qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor provision, and that contributions to the Corporation shall be deductible under Section 170(c)(2) of the Code or any successor provision.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except as otherwise permitted to an organization described in Section 501(c)(3) of the Code or any successor provision. The Corporation shall not participate in, or intervene in [including the publishing or distribution of statements] any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal and state income taxes under Section 501(c)(3) of the Code or any successor provision, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code or any successor provision.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable, to its members (if any), directors, officers, or other private persons, except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to an organization or organizations, as determined by the Board of Directors, that recognized as exempt under Section 501(c)(3) of the Code or any successor provision, and used exclusively to accomplish the purposes for which this Corporation is organized.

Article VI: Members

[The qualifications of members, if any, the application process, the property, voting and other rights and privileges of members and their liability for dues and assessments, and the method of collection thereof, shall be set forth in the Bylaws.]

Article VII: Directors

The number of directors constituting the initial Board of Directors of the Corporation shall be _____ () directors. The names and addresses of the persons who are to serve as the initial directors of the Corporation are as follows:

Name	Address
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The powers and duties, number, qualifications, terms of office, manner of election, time and criteria for removal of directors shall be as set forth in the Bylaws of the Corporation.

Article VIII: Director Liability Limitations

A director shall have no liability to the Corporation for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by a director, where the director votes or assents to a distribution which is unlawful or violates the requirements of these articles of incorporation, or for any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

Article IX: Indemnification

Section 1. Right to Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer, he or she is or was serving at the request of the Corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the Corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 2 of this Article with respect to proceedings seeking solely to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 1 or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim for which indemnification is required under Section 1 of this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the Corporation), and thereafter the Corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the Corporation (including its board of directors, independent legal counsel or its members, if any) to have made a determination

prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses of the claimant is proper in the circumstances nor an actual determination by the Corporation (including its board of directors, independent legal counsel or its members, if any) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

Section 3. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of members, if any, or disinterested directors or otherwise.

Section 4. Insurance, Contracts and Funding. The Corporation may maintain insurance at its expense to protect itself and any director, trustee, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such persons against such expense, liability or loss under the Washington Business Corporation Act, as applied to nonprofit corporations. The Corporation may, without further membership action, enter into contracts with any director or officer of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 5. Indemnification of Employees and Agents of the Corporation. The Corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

Article X: Bylaws

Bylaws of the Corporation may be adopted by the Board of Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles. The authority to make, alter, amend or repeal bylaws is vested in the board of directors and may be exercised at any regular or special meeting of the board of directors.

Article XI: Incorporator[s]

The name and address of the incorporator[s] of the Corporation is [are] as follows:

Name

Address

IN WITNESS WHEREOF, the undersigned has [have] signed these Articles of Incorporation this _____ day of _____, 20__.

(Signature)

[Add signature lines for other
incorporators if more than one]

EXHIBIT B

CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, _____, hereby consent to serve as registered agent, in the State of Washington, for the following Corporation: _____. I understand that as agent for the Corporation, it will be my responsibility to accept Service of Process in the name of the Corporation; to forward all mail and license renewals to the appropriate officer(s) of the Corporation; and to immediately notify the Office of the Secretary of State of my resignation or of any changes in the address of the registered office of the Corporation for which I am agent.

Date: _____, 20____.

(Signature)

(Type or print name of agent)

(Street address of registered office)

(City, state and zip code)

APPENDIX 2
SAMPLE BYLAWS

EXHIBIT C

BYLAWS

OF

(Membership Corporation)

ARTICLE 1. OFFICES

The principal office of the corporation shall be located at its principal place of business or such other place as the Board of Directors (“Board”) may designate. The corporation may have such other offices, either within or without the State of Washington, as the Board may designate or as the business of the corporation may require from time to time.

ARTICLE 2. MEMBERSHIP

2.1 Classes of Members

The corporation shall initially have one class of members. Additional classes of members, the manner of election or appointment of each class of members, and the qualifications and rights of each class of members may be established by amendment to these Bylaws.

2.2 Qualifications for Membership

In order to qualify for membership, a member shall be _____. A member may be elected or appointed to membership by the Board. Members may have such other qualifications as the Board may prescribe by amendment to these Bylaws.

2.3 Voting Rights

2.3.1 Each member entitled to vote with respect to the subject matter of an issue submitted to the members shall be entitled to one vote upon each such issue.

2.3.2 Each member entitled to vote at an election of Directors may cast one vote for as many persons as there are Directors to be elected and for whose election such member has a right to vote[.][or may cumulate such vote and give one candidate a number of votes equal to such vote multiplied by the number of Directors to be elected.]

2.4 Annual Meeting

The annual meeting of the members shall be held the ____ day of _____ in each year at _____ .m. for the purpose of electing Directors and transacting such other business as may properly come before the meeting. If the day fixed for the annual meeting is a legal holiday at the place of the meeting, the meeting shall be held on the next succeeding business day. If the annual meeting is not held on the date designated therefore, the Board shall cause the meeting to be held as soon thereafter as may be convenient.

2.5 Special Meetings

The President, the Board, or not less than _____ of the members entitled to vote at such meeting, may call special meetings of the members for any purpose.

2.6 Place of Meetings

All meetings of members shall be held at the principal office of the corporation or at such other place within or without the State of Washington designated by the President, the Board, by the members entitled to call a meeting of members, or by a waiver of notice signed by all members entitled to vote at the meeting.

2.7 Notice of Meetings

The President, the Secretary or the Board shall cause to be delivered to each member entitled to notice of or to vote at the meeting, either personally or by mail, not less than ten nor more than fifty days before the meeting, written notice stating the place, date and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. At any time, upon the written request of not less than _____ of the members entitled to vote at the meeting, it shall be the duty of the Secretary to give notice of a special meeting of members to be held at such date, time and place as the Secretary may fix, not less than ten nor more than thirty-five days after receipt of such written request, and if the Secretary shall neglect or refuse to issue such notice, the person or persons making the request may do so and may fix the date, time and place for such meeting. If such notice is mailed, it shall be deemed delivered when deposited in the official government mail properly addressed to the member at his or her address as it appears on the records of the corporation with postage thereon prepaid.

2.8 Waiver of Notice

Whenever any notice is required to be given to any member under the provisions of these Bylaws, the Articles of Incorporation or applicable Washington law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

2.9 Quorum

_____ of the members of the corporation entitled to vote, represented in person [or by proxy], shall constitute a quorum at a meeting of the members. If less than a quorum of the

members entitled to vote is represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice.

2.10 Manner of Acting

The vote of a majority of the votes entitled to be cast by the members represented in person [or by proxy] at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by applicable Washington law, the Articles of Incorporation or these Bylaws.

[2.11 Proxies

A member may vote by proxy executed in writing by the member or by his or her attorney-in-fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. A proxy shall become invalid eleven months after the date of its execution unless otherwise provided in the proxy. A proxy with respect to a specific meeting shall entitle the holder thereof to vote at any reconvened meeting following adjournment of such meeting but shall not be valid after the final adjournment thereof.]

2.12 Action by Members Without a Meeting

Any action which could be taken at a meeting of the members may be taken without a meeting if a written consent setting forth the action so taken is signed by all members entitled to vote with respect to the subject matter thereof. Such written consents may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Any such written consent shall be inserted in the minute book as if it were the minutes of a meeting of the members.

2.13 Meetings by Telephone

Members of the corporation may participate in a meeting of members by means of a conference telephone or similar communications equipment by means of which all persons

participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE 3. BOARD OF DIRECTORS

3.1 General Powers

The affairs of the corporation shall be managed by a Board of Directors.

3.2 Number

The Board shall consist of not less than _____ nor more than _____ Directors, the specific number to be set by resolution of the Board. The number of Directors may be changed from time to time by amendment to these Bylaws, provided that no decrease in the number shall have the effect of shortening the term of any incumbent Director.

3.3 Qualifications

Directors shall be members of the corporation and _____
_____. Directors may have such other qualifications as the Board may prescribe by amendment to these Bylaws.

3.4 Election of Directors

3.4.1 Initial Directors

The initial Directors named in the Articles of Incorporation shall serve until the first annual meeting of members.

3.4.2 Successor Directors

Successor Directors shall be elected each year at the annual meeting of members.

[The election of Directors may be conducted by mail in such manner as the Board of Directors shall determine.]

3.5 Term of Office

Unless a Director dies, resigns or is removed, he or she shall hold office until the next annual meeting of the Board or until his or her successor is elected, whichever is later.

3.6 Annual Meeting

The annual meeting of the Board shall be held without notice immediately following and at the same place as the annual meeting of members for the purposes of electing officers and transacting such business as may properly come before the meeting.

3.7 Regular Meetings

By resolution, the Board may specify the date, time and place for the holding of regular meetings without other notice than such resolution.

3.8 Special Meetings

Special meetings of the Board or any committee designated and appointed by the Board may be called by or at the written request of the President or any two Directors, or, in the case of a committee meeting, by the chairman of the committee. The person or persons authorized to call

special meetings may fix any place either within or without the State of Washington as the place for holding any special Board or committee meeting called by them.

3.9 Meetings by Telephone

Members of the Board or any committee designated by the Board may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

3.10 Place of Meetings

All meetings shall be held at the principal office of the corporation or at such other place within or without the State of Washington designated by the Board, by any persons entitled to call a meeting or by a waiver of notice signed by all Directors.

3.11 Notice of Special Meetings

Notice of special Board or committee meetings shall be given to a Director in writing or by personal communication with the Director not less than ten days before the meeting. Notices in writing may be delivered or mailed to the Director at his or her address shown on the records of the corporation. Neither the business to be transacted at, nor the purpose of any special meeting need be specified in the notice of such meeting. If notice is delivered by mail, the notice shall be deemed effective when deposited in the official government mail properly addressed with postage thereon prepaid.

3.12 Waiver of Notice

3.12.1 In Writing

Whenever any notice is required to be given to any Director under the provisions of these Bylaws, the Articles of Incorporation or applicable Washington law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

3.12.2 By Attendance

The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.13 Quorum

_____ of the number of Directors in office shall constitute a quorum for the transaction of business at any Board meeting. If a quorum is not present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

3.14 Manner of Acting

The act of the majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board, unless the vote of a greater number is required by these Bylaws, the Articles of Incorporation or applicable Washington law.

3.15 Presumption of Assent

A Director of the corporation present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting, or unless such Director files a written dissent or abstention to such action with the person acting as secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention by registered mail to the Secretary of the corporation

immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

3.16 Action by Board Without a Meeting

Any action which could be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action so taken is signed by each of the Directors. Such written consents may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting.

3.17 Resignation

Any Director may resign at any time by delivering written notice to the President or the Secretary at the registered office of the corporation, or by giving oral or written notice at any meeting of the Directors. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.18 Removal

At a meeting of members called expressly for that purpose, one or more Directors (including the entire Board) may be removed from office, with or without cause, by two-thirds of the votes cast by members then entitled to vote on the election of Directors represented in person or by proxy at a meeting of members at which a quorum is present.

3.19 Vacancies

A vacancy in the position of Director may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director who fills a vacancy shall serve for the unexpired term of his or her predecessor in office.

3.20 Board Committees

3.20.1 Standing or Temporary Committees

The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more standing or temporary committees, each of which shall consist of two or more Directors. Such committees shall have and exercise the authority of the Directors in the management of the corporation, subject to such limitations as may be prescribed by the Board; except that no committee shall have the authority to: (a) amend, alter or repeal these Bylaws; (b) elect, appoint or remove any member of any other committee or any Director or officer of the corporation; (c) amend the Articles of Incorporation; (d) adopt a plan of merger or consolidation with another corporation; (e) authorize the sale, lease or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; (f) authorize the voluntary dissolution of the corporation or revoke proceedings therefor; (g) adopt a plan for the distribution of the assets of the corporation; or (h) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual Director of any responsibility imposed upon it, him or her by law.

3.20.2 Quorum; Manner of Acting

A majority of the number of Directors composing any committee shall constitute a quorum, and the act of a majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee.

3.20.3 Resignation

Any member of any committee may resign at any time by delivering written notice thereof to the President, the Secretary or the chairperson of such committee, or by giving oral or written notice at any meeting of such committee. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.20.4 Removal of Committee Member

The Board, by resolution adopted by a majority of the Directors in office, may remove from office any member of any committee elected or appointed by it.

3.21 Compensation

The Directors shall receive no compensation for their service as Directors but may receive reimbursement for expenditures incurred on behalf of the corporation.

ARTICLE 4. OFFICERS

4.1 Number and Qualifications

The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board. Other officers and assistant officers may be elected or appointed by the Board, such officers and assistant officers to hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as may be provided by resolution of the Board. Any officer may be assigned by the Board any additional title that the Board deems appropriate. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office

The officers of the corporation shall be elected each year by the Board at the annual meeting of the Board. Unless an officer dies, resigns, or is removed from office, he or she shall hold office until the next annual meeting of the Board or until his or her successor is elected.

4.3 Resignation

Any officer may resign at any time by delivering written notice to the President, a Vice President, the Secretary or the Board, or by giving oral or written notice at any meeting of the Board. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.4 Removal

Any officer or agent elected or appointed by the Board may be removed from office by the Board whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.5 Vacancies

A vacancy in any office created by the death, resignation, removal, disqualification, creation of a new office or any other cause may be filled by the Board for the unexpired portion of the term or for a new term established by the Board.

4.6 President

The President shall be the chief executive officer of the corporation, and, subject to the Board's control, shall supervise and control all of the assets, business and affairs of the corporation. The President shall preside over meetings of the members and the Board. The President may sign deeds, mortgages, bonds, contracts, or other instruments, except when the signing and execution thereof have been expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation or are required by law to be otherwise signed or executed by some other officer or in some other manner. In general, the President shall perform all duties incident to the office of President and such other duties as are assigned to him or her by the Board from time to time.

4.7 Vice Presidents

In the event of the death of the President or his or her inability to act, the Vice President (or if there is more than one Vice President, the Vice President who was designated by the Board as the successor to the President, or if no Vice President is so designated, the Vice President whose name first appears in the Board resolution electing officers) shall perform the duties of the President, except as may be limited by resolution of the Board, with all the powers of and subject to all the restrictions upon the President. Vice Presidents shall have, to the extent authorized by the President or the Board, the same powers as the President to sign deeds, mortgages, bonds, contracts or other instruments. Vice Presidents shall perform such other duties as from time to time may be assigned to them by the President or the Board.

4.8 Secretary

The Secretary shall: (a) keep the minutes of meetings of the members and the Board, and minutes which may be maintained by committees of the Board; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the corporation; (d) keep records of the post office address and class, if applicable, of each member and Director and of the name and post office address of each officer; (e) sign with the President, or other officer authorized by the President or the Board, deeds, mortgages, bonds, contracts, or other instruments; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board.

4.9 Treasurer

If requested by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Board may determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in banks, trust companies or other depositories selected in accordance with the provisions of these Bylaws; and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

ARTICLE 5. ADMINISTRATIVE PROVISIONS

5.1 Books and Records

The corporation shall keep at its principal or registered office copies of its current Articles of Incorporation and Bylaws; correct and adequate records of accounts and finances;

minutes of the proceedings of its members and Board, and any minutes which may be maintained by committees of the Board; records of the name and address and class, if applicable of each member and Director, and of the name and post office address of each officer; and such other records as may be necessary or advisable. All books and records of the corporation shall be open at any reasonable time to inspection by any member of three months standing or to a representative of more than five percent of the membership.

5.2 Accounting Year

The accounting year of the corporation shall be the twelve months ending _____.

5.3 Rules of Procedure

The rules of procedure at meetings of the Board and committees of the Board shall be rules contained in Roberts' Rules of Order on Parliamentary Procedure, newly revised, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation or any resolution of the Board.

ARTICLE 6. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the vote of a majority of the number of Directors in office.

The foregoing Bylaws were adopted by the Board of Directors on _____,
_____.

Secretary

APPENDIX 3

MASTER BUSINESS APPLICATION



Master License Service
 Department of Licensing
 PO Box 9034
 Olympia WA 98507-9034
 Telephone: (360) 664-1400
 www.dol.wa.gov

Information provided may be subject to disclosure under the public disclosure law (RCW 42.56)

Legal Entity/Owner Name _____
 Unified Business Identifier (UBI) _____
 Federal Employer Identification Number (FEIN) _____

Master Business Application

For faster service - Apply online @
 www.dol.wa.gov



or print in dark ink and mail to Master License Service

For Validation - Office Use Only

01P-400-925-0003

1. Purpose of Application

Please check all boxes that apply.

<input type="checkbox"/> Open/Reopen Business complete sections 2, 3, 4, (5 if hiring employees) and 6	<input type="checkbox"/> Add License/Registration to Existing Location complete sections 2, 3, 4, and 6
<input type="checkbox"/> Open Additional Location complete sections 2, 3, 4, (5 if hiring employees) and 6	<input type="checkbox"/> Hire Employees complete all sections
<input type="checkbox"/> Change Ownership complete sections 2, 3, 4, (5 if you have employees) and 6	<input type="checkbox"/> Hire Employees Under Age 18 complete all sections
<input type="checkbox"/> Register Trade Name complete sections 2, 3, 4 and 6	<input type="checkbox"/> Hire Persons to Work In or Around Your Home complete all sections
<input type="checkbox"/> Change Trade Name - complete sections 2, 3, 4 and 6 Indicate name to be cancelled : _____	<input type="checkbox"/> Other - complete all sections _____
<input type="checkbox"/> Change Location - complete sections 2, 3, 4 and 6 Indicate old address to be closed: _____	

2. Licenses and Fees

Use the License Fee Sheet for the information needed to complete this list.

Indicate Registrations Needed:	Fees Due
<input type="checkbox"/> Tax Registration – Do you want a separate tax return for each business? <input type="checkbox"/> Yes <input type="checkbox"/> No	No Fee
<input type="checkbox"/> Industrial Insurance (Workers' Compensation) – Required if you will have employees.	No Fee
<input type="checkbox"/> Unemployment Insurance – Required if you will have employees.	No Fee
<input type="checkbox"/> Minor Work Permit – Required if you will have employees under age 18.	No Fee
<input type="checkbox"/> New Trade Name (Doing Business As):	\$ 5.00
Indicate Additional Trade Names (\$5 each name) or Other Licenses (such as Lottery Retailer):	
✓	\$
✓	\$
✓	\$
✓	\$
✓	\$
✓	\$

Enclose check for **total amount due**, including the Processing Fee, which **MUST** be submitted with this form.

Processing Fee \$ 15.00

Make check payable to the WASHINGTON STATE TREASURER.

Total Amount Due \$

3. Owner Information

a. Select only one ownership structure:

Sole Proprietor

If married, should spouse's name appear on license? Yes No (If you answer No, you must still enter the spouse information in section "3f" below.)

Corporation* Non Profit Corporation* (educational, religious, charitable) Limited Liability Company*

Partnership (# of partners: _____) Limited Partnership* Limited Liability Partnership* Joint Venture

*These ownership structures must contact the Secretary of State office for additional filing requirements.

Name of Corporation, LLC, Partnership, LLP, or Joint Venture Name (examples: ABC, Inc. OR Fir Trees Unlimited LLC)

State incorporated/formed: _____ Year incorporated/formed: _____

Association Trust Municipality Tribal Government Other _____

Name of Organization (example: Anderson Family Trust)

b. Indicate this ownership structure's first date of business at this location.
Out-of-state businesses should use the first date of operation in WA. MM / YY (Required. If unknown, please estimate.)

c. _____
Doing Business As (DBA)/Trade Name

d. _____
Business Mailing Address (Street & Suite No. or PO Box, do not use building name) City State Zip

e. () _____ () _____
Business Telephone Number Fax Number Internet/E-Mail Address

f. List all owners & spouses: Sole proprietor, partners, officers, or LLC members. (Attach additional pages if needed.)

Governing Persons

➤ _____
Name (Last, First, Middle) Date of Birth / / Social Security Number* % Owned

_____ City State Zip

_____ () _____
Title Home Telephone Number Are you married? Yes No If yes, enter spouse information below.

_____ Spouse Name (Last, First, Middle) Spouse Date of Birth / / Spouse Social Security Number*

➤ _____
Name (Last, First, Middle) Date of Birth / / Social Security Number* % Owned

_____ City State Zip

_____ () _____
Title Home Telephone Number Are you married? Yes No If yes, enter spouse information below.

_____ Spouse Name (Last, First, Middle) Spouse Date of Birth / / Spouse Social Security Number*

➤ _____
Name (Last, First, Middle) Date of Birth / / Social Security Number* % Owned

_____ City State Zip

_____ () _____
Title Home Telephone Number Are you married? Yes No If yes, enter spouse information below.

_____ Spouse Name (Last, First, Middle) Spouse Date of Birth / / Spouse Social Security Number*

*The Social Security Number is required for all sole proprietors. It is also required for all partners, officers, and LLC members of businesses that will have employees, and all owners and spouses of businesses that will have liquor, lottery or private investigator licenses. Not fully completing section "f" will result in application delays. (RCW 26.23.150, RCW 50.12.070)

4. Location / Business Information

Check the appropriate box and provide the corresponding physical address on line "a" below.

This application is for a Washington location (provide the Washington address)

Is this Location inside city limits? Yes No

This Business has **No** Washington location (provide the primary business address)

a. _____
Business Street Address (Do not use a PO Box or PMB Address) City State Zip

If the address above is out-of-state and you have employees or representatives working in Washington, please provide **one** of their Washington addresses (we will not use this address for mailing purposes):

Street Address (Do not use a PO Box or PMB Address) City State Zip

b. Provide the **estimated** gross annual income in Washington (check the one box that applies to your business):

\$0 - \$12,000 \$12,001 - \$28,000 \$28,001 - \$60,000 \$60,001 - \$100,000 \$100,001 and above

c. Indicate the business activities in Washington State (check all that apply):

Wholesale Retail Manufacturing Services

d. Describe in detail the principal products or services you provide in Washington State (failure to provide this information will cause delay in processing your application):

e. Did you buy, lease, or acquire all or part of an existing business? No All Part

Date bought/leased/acquired: ____ / ____ / ____
MM DD YY Prior Business Name

Prior Owner's Name

()
Telephone Number

f. Did you purchase/lease any fixtures or equipment on which you have not paid sales or use tax? Yes No

If yes, indicate purchase or lease price: \$ _____

g. If this business is owned by, controlled by, or affiliated with any other business entity, please indicate that business entity's name:

h. If you are changing your business structure (such as changing from sole proprietorship to corporation) and want the old account closed, please indicate the UBI number to be closed: _____

Do you wish to cancel all the trade names registered under the old UBI number? Yes No
(You must re-register all trade names you use under the new business structure.)

i. If you have ever owned another business, please provide: _____
Business Name UBI Number

j. Provide your bank's name: _____ Branch: _____

If you plan to have employees or wish to register for elective coverage for owners or excluded employees, complete Section 5.
(For information see the Industrial Insurance or Unemployment Insurance sections on the License Fee Sheet.)

APPENDIX 4

**IRS FORM 1023
APPLICATION FOR RECOGNITION OF EXEMPTION
UNDER SECTION 501(C)(3)**

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

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

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
6 Primary contact (officer, director, trustee, or authorized representative) a Name:		b Phone:	
		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
9a Organization's website:			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)			
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. Yes No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. Yes No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. Yes No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. Yes No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. Yes No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. Yes No

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph):
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. _____
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family** or **business relationships**? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

b Do you have a **business relationship** with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. **Yes** **No**

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. **Yes** **No**

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**
- b** Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
-
- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
-
- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
-
- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
-
- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at **arm's length**.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
-
- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake fundraising? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) Yes No

- mail solicitations
- phone solicitations
- email solicitations
- accept donations on your website
- personal solicitations
- receive donations from another organization's website
- vehicle, boat, plane, or similar donations
- government grant solicitations
- foundation grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. Yes No

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. Yes No

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. Yes No

5 Are you affiliated with a governmental unit? If "Yes," explain. Yes No

6a Do you or will you engage in economic development? If "Yes," describe your program. Yes No

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers develop your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. Yes No

b Do or will persons other than your employees or volunteers manage your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. Yes No

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into joint ventures, including partnerships or limited liability companies treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. Yes No

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. Yes No

b Do you provide child care so that parents or caretakers of children you care for can be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). Yes No

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). Yes No

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). Yes No

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. Yes No

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Yes No
-
- 12a** Do you or will you operate in a foreign country or countries? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. Yes No
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. Yes No
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. Yes No
- d** Identify each recipient organization and any relationship between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i) Do you require an application form? If "Yes," attach a copy of the form. Yes No
- (ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. Yes No
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. Yes No
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. Yes No
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. Yes No
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. Yes No
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. Yes No

Part VIII Your Specific Activities (Continued)

- 15** Do you have a **close connection** with any organizations? If "Yes," explain. **Yes** **No**
- 16** Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. **Yes** **No**
- 17** Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. **Yes** **No**
- 18** Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. **Yes** **No**
- 19** Do you or will you operate a **school**? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. **Yes** **No**
- 20** Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. **Yes** **No**
- 21** Do you or will you provide **low-income housing** or housing for the **elderly or handicapped**? If "Yes," complete Schedule F. **Yes** **No**
- 22** Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. **Yes** **No**

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		Current tax year	(a) From _____ To _____	(b) From _____ To _____	(c) From _____ To _____	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)					0.00
	2 Membership fees received					0.00
	3 Gross investment income					0.00
	4 Net unrelated business income					0.00
	5 Taxes levied for your benefit					0.00
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					0.00
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)					0.00
	8 Total of lines 1 through 7	0.00	0.00	0.00		0.00
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					0.00
	10 Total of lines 8 and 9	0.00	0.00	0.00		0.00
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)					0.00
	12 Unusual grants					0.00
	13 Total Revenue Add lines 10 through 12	0.00	0.00	0.00		0.00
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages					
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)					
	21 Depreciation and depletion					
	22 Professional fees					
	23 Any expense not otherwise classified, such as program services (attach itemized list)					
	24 Total Expenses Add lines 14 through 23	0.00	0.00	0.00		

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End:

(Whole dollars)

Table with 18 rows for Assets, Liabilities, and Fund Balances or Net Assets. Assets include Cash, Accounts receivable, Inventories, Bonds and notes receivable, Corporate stocks, Loans receivable, Other investments, Depreciable and depletable assets, Land, and Other assets. Liabilities include Accounts payable, Contributions, gifts, grants, etc. payable, Mortgages and notes payable, and Other liabilities. Fund Balances or Net Assets include Total fund balances or net assets and Total Liabilities and Fund Balances or Net Assets.

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. [] Yes [] No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a private foundation or a public charity. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a private operating foundation. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. [] Yes [] No

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2. []

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. [] Yes [] No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. [] Yes [] No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? [] Yes [] No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

The organization is not a private foundation because it is:

- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. []
b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B. []
c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C. []
d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D. []

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

 (Signature of Officer, Director, Trustee, or other authorized official) (Type or print name of signer) (Date)

 (Type or print title or authority of signer)

For IRS Use Only

 IRS Director, Exempt Organizations (Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? **Yes** **No**
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

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 of Officer, Director, Trustee, or other authorized official)

(Type or print name of signer)

(Date)

(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 6-2006)