



Department of the Treasury
Internal Revenue Service

Notice 1382

(Rev. December 2011)

Changes for Form 1023:

- Mailing address
- Parts IX, X and XI

**Changes for Form 1023, Application for
Recognition of Exemption Under Section
501(c)(3) of the Internal Revenue Code**

Change of Mailing Address

The mailing address shown on Form 1023 Checklist, page 28, the first address under the last checkbox; and in the Instructions for Form 1023, page 4 under *Where to File*, has been changed to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

Changes for Parts IX and X

Changes to Parts IX and X are necessary to comply with new regulations that eliminated the advance ruling process. Until Form 1023 is revised to reflect this change, please follow the directions on this notice when completing Part IX and Part X of Form 1023. For more information about the elimination of the advance ruling process, visit us at IRS.gov and click on "Charities and Non-Profits," then in the top right "Search" box type "Elimination of the Advance Ruling Process" (exactly as written) and select "Search."

Part IX. Financial Data

The instructions at the top of Part IX on page 9 of Form 1023 are now as follows. For purposes of this schedule, years in existence refer to completed tax years.

1. If in existence less than 5 years, complete the statement 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:
 - a. Three years of financial information if you have not completed one tax year, or
 - b. Four years of financial information if you have completed one tax year.
2. If in existence 5 or more years, complete the schedule for the most recent 5 tax years. You will need to provide a separate statement that includes information about the most recent 5 tax years because the data table in Part IX, has not been updated to provide for a 5th year.

Part X. Public Charity Status

Do not complete line 6a on page 11 of Form 1023, and **do not sign** the form under the heading "Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code."

Only complete line 6b and line 7 on page 11 of Form 1023, if in existence 5 or more tax years.

Part XI. Increase in User Fees

User fee increases are effective for all applications post marked after January 3, 2010.

1. \$400 for organizations whose gross receipts do not exceed \$10,000 or less annually over a 4-year period.
2. \$850 for organizations whose gross receipts exceed \$10,000 annually over a 4-year period.

For the current user fee amounts go to IRS.gov and select "Charities and Non-Profits" from the buttons near the top. Then select "Where Is My Exemption Application" and in the second paragraph click on "user fee." Alternatively, you can do a search for "user fees" with the applicable year in the "Search" box in the top right. Finally, you can also call 1-877-829-5500.

Application for Reinstatement and Retroactive

Reinstatement. After your organization's tax-exempt status was automatically revoked for failing to file a return or notice for three consecutive years, your organization must apply to have its tax-exempt status reinstated. You must file a Form 1023 if applying under section 501(c)(3) or Form 1024 if applying under a different Code section, pay the appropriate user fee, and write "Automatically Revoked" at the top of your application and the mailing envelope. If approved, the date of reinstatement will be the date of the application. See Notice 2011-44, 2011-25 I.R.B. 883, at http://www.irs.gov/irb/2011-25_IRB/ar10.html, for details. Smaller organizations — defined as having annual gross receipts of not more than \$50,000 in its most recently completed tax year — that have lost their tax-exempt status because of failure to file a required electronic notice (Form 990-N e-Postcard) may be eligible for transitional relief, including retroactive reinstatement and a reduced user fee. See Notice 2011-43, 2011-25 I.R.B. 882, at http://www.irs.gov/irb/2011-25_IRB/ar09.html, for details.



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

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) Arroyo Sustainable Economies Community Organization		2 c/o Name (if applicable)
3 Mailing address (Number and street) (see instructions) PO Box #26513	Room/Suite	4 Employer Identification Number (EIN)
City or town, state or country, and ZIP + 4 Los Angeles, CA 90026		5 Month the annual accounting period ends (01 - 12) 12
6 Primary contact (officer, director, trustee, or authorized representative) a Name: Janine Christiano		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 checked="" 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 checked="" type="checkbox"/> No
9a Organization's website: www.asntb.com		
b Organization's email: (optional) arroyosecotimebank@gmail.com		
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 checked="" type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 07 / 28 / 2011		
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" 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): page one article II
- 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. Page 2 article V
- 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)
Janine Christiano	President	none
Ann Rooney	CFO	none
Sarah McGowan	Secretary	none
		
		

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)
N/A			

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
 - email solicitations
 - personal solicitations
 - vehicle, boat, plane, or similar donations
 - foundation grant solicitations
 - phone solicitations
 - accept donations on your website
 - receive donations from another organization's website
 - government 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. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
		(a) From <u>1/1/13</u> To <u>11/5/13</u>	(b) From <u>1/1/11</u> To <u>12/31/11</u>	(c) From <u>1/1/12</u> To <u>12/31/12</u>	(d) From <u>1/1/14</u> To <u>12/31/14</u>	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	0	1,806.66	0	10,500	12,306.66
	2 Membership fees received	0	0	0	0	0
	3 Gross investment income	0	0	0	0	0
	4 Net unrelated business income	0	0	0	0	0
	5 Taxes levied for your benefit	0	0	0	0	0
	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	0	0	0	0
	7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)	0	0	0	0	0
	8 Total of lines 1 through 7	0	1,806.66	0	10,500	12,306.66
	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	0	0	0	0
	10 Total of lines 8 and 9	0	1,806.66	0	10,500	12,306.66
Expenses	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0	0	0
	12 Unusual grants	0	0	0	0	0
	13 Total Revenue Add lines 10 through 12	0	1,806.66	0	10,500	12,306.66
	14 Fundraising expenses	0	0	0	0	
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	0	0	0	0	
	16 Disbursements to or for the benefit of members (attach an itemized list)	0	0	0	0	
	17 Compensation of officers, directors, and trustees	0	0	0	0	
	18 Other salaries and wages	0	0	0	0	
	19 Interest expense	0	0	0	0	
	20 Occupancy (rent, utilities, etc.)	0	0	0	0	
	21 Depreciation and depletion	0	0	0	0	
	22 Professional fees	0	0	0	0	
	23 Any expense not otherwise classified, such as program services (attach itemized list)	0	0	827.80	9,970	
	24 Total Expenses Add lines 14 through 23	0	0	827.80	9,970	

Part IX Financial Data (Continued)

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

Year End: **2012**

		(Whole dollars)
Assets		
1	Cash	978.86
2	Accounts receivable, net	
3	Inventories	
4	Bonds and notes receivable (attach an itemized list)	
5	Corporate stocks (attach an itemized list)	
6	Loans receivable (attach an itemized list)	
7	Other investments (attach an itemized list)	
8	Depreciable and depletable assets (attach an itemized list)	
9	Land	
10	Other assets (attach an itemized list)	
11	Total Assets (add lines 1 through 10)	978.86
Liabilities		
12	Accounts payable	0
13	Contributions, gifts, grants, etc. payable	0
14	Mortgages and notes payable (attach an itemized list)	0
15	Other liabilities (attach an itemized list)	0
16	Total Liabilities (add lines 12 through 15)	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	0
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)

Janine Christiano

.....
 (Type or print name of signer)

President

.....
 (Type or print title or authority of signer)

11/5/13

.....
 (Date)

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

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

Schedule A. Churches

1a	Do you have a written creed, statement of faith, or summary of beliefs? If "Yes," attach copies of relevant documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Do you have a form of worship? If "Yes," describe your form of worship.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2a	Do you have a formal code of doctrine and discipline? If "Yes," describe your code of doctrine and discipline.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Do you have a distinct religious history? If "Yes," describe your religious history.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c	Do you have a literature of your own? If "Yes," describe your literature.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3	Describe the organization's religious hierarchy or ecclesiastical government.		
4a	Do you have regularly scheduled religious services? If "Yes," describe the nature of the services and provide representative copies of relevant literature such as church bulletins.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	What is the average attendance at your regularly scheduled religious services? _____		
5a	Do you have an established place of worship? If "Yes," refer to the instructions for the information required.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Do you own the property where you have an established place of worship?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6	Do you have an established congregation or other regular membership group? If "No," refer to the instructions.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7	How many members do you have? _____		
8a	Do you have a process by which an individual becomes a member? If "Yes," describe the process and complete lines 8b-8d, below.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If you have members, do your members have voting rights, rights to participate in religious functions, or other rights? If "Yes," describe the rights your members have.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c	May your members be associated with another denomination or church?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d	Are all of your members part of the same family ?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9	Do you conduct baptisms, weddings, funerals, etc.?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10	Do you have a school for the religious instruction of the young?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11a	Do you have a minister or religious leader? If "Yes," describe this person's role and explain whether the minister or religious leader was ordained, commissioned, or licensed after a prescribed course of study.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Do you have schools for the preparation of your ordained ministers or religious leaders?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12	Is your minister or religious leader also one of your officers, directors, or trustees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13	Do you ordain, commission, or license ministers or religious leaders? If "Yes," describe the requirements for ordination, commission, or licensure.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
14	Are you part of a group of churches with similar beliefs and structures? If "Yes," explain. Include the name of the group of churches.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15	Do you issue church charters? If "Yes," describe the requirements for issuing a charter.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16	Did you pay a fee for a church charter? If "Yes," attach a copy of the charter.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
17	Do you have other information you believe should be considered regarding your status as a church? If "Yes," explain.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Schedule B. Schools, Colleges, and Universities

If you operate a school as an activity, complete Schedule B

Section I Operational Information

1a Do you normally have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on? If "No," do not complete the remainder of Schedule B. **Yes** **No**

b Is the primary function of your school the presentation of formal instruction? If "Yes," describe your school in terms of whether it is an elementary, secondary, college, technical, or other type of school. If "No," do not complete the remainder of Schedule B. **Yes** **No**

2a Are you a public school because you are operated by a state or subdivision of a state? If "Yes," explain how you are operated by a state or subdivision of a state. Do not complete the remainder of Schedule B. **Yes** **No**

b Are you a public school because you are operated wholly or predominantly from government funds or property? If "Yes," explain how you are operated wholly or predominantly from government funds or property. Submit a copy of your funding agreement regarding government funding. Do not complete the remainder of Schedule B. **Yes** **No**

3 In what public school district, county, and state are you located?

4 Were you formed or substantially expanded at the time of public school desegregation in the above school district or county? **Yes** **No**

5 Has a state or federal administrative agency or judicial body ever determined that you are racially discriminatory? If "Yes," explain. **Yes** **No**

6 Has your right to receive financial aid or assistance from a governmental agency ever been revoked or suspended? If "Yes," explain. **Yes** **No**

7 Do you or will you contract with another organization to develop, build, market, or finance your facilities? If "Yes," explain how that entity is selected, explain how the terms of any contracts or other agreements are negotiated at arm's length, and explain how you determine that you will pay no more than fair market value for services. **Yes** **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. **Yes** **No**

Note. Answer "Yes" if you manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

Section II Establishment of Racially Nondiscriminatory Policy

Information required by **Revenue Procedure 75-50.**

1 Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws, or by resolution of your governing body? If "Yes," state where the policy can be found or supply a copy of the policy. If "No," you must adopt a nondiscriminatory policy as to students before submitting this application. See Publication 557. **Yes** **No**

2 Do your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement of your racially nondiscriminatory policy? **Yes** **No**

a If "Yes," attach a representative sample of each document.

b If "No," by checking the box to the right you agree that all future printed materials, including website content, will contain the required nondiscriminatory policy statement.

3 Have you published a notice of your nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community? (See the instructions for specific requirements.) If "No," explain. **Yes** **No**

4 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to admissions; use of facilities or exercise of student privileges; faculty or administrative staff; or scholarship or loan programs? If "Yes," for any of the above, explain fully. **Yes** **No**

Schedule B. Schools, Colleges, and Universities *(Continued)*

5 Complete the table below to show the racial composition for the current academic year and projected for the next academic year, of: (a) the student body, (b) the faculty, and (c) the administrative staff. Provide actual numbers rather than percentages for each racial category.

If you are not operational, submit an estimate based on the best information available (such as the racial composition of the community served).

Racial Category	(a) Student Body		(b) Faculty		(c) Administrative Staff	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Total						

6 In the table below, provide the number and amount of loans and scholarships awarded to students enrolled by racial categories.

Racial Category	Number of Loans		Amount of Loans		Number of Scholarships		Amount of Scholarships	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Total								

7a Attach a list of your incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b Do any of these individuals or organizations have an objective to maintain segregated public or private school education? If "Yes," explain. **Yes** **No**

8 Will you maintain records according to the non-discrimination provisions contained in Revenue Procedure 75-50? If "No," explain. (See instructions.) **Yes** **No**

Schedule C. Hospitals and Medical Research Organizations

Check the box if you are a **hospital**. See the instructions for a definition of the term "hospital," which includes an organization whose principal purpose or function is providing **hospital or medical care**. Complete Section I below.

Check the box if you are a **medical research organization** operated in conjunction with a hospital. See the instructions for a definition of the term "medical research organization," which refers to an organization whose principal purpose or function is medical research and which is directly engaged in the continuous active conduct of medical research in conjunction with a hospital. Complete Section II.

Section I Hospitals

- | | |
|---|--|
| 1a Are all the doctors in the community eligible for staff privileges? If "No," give the reasons why and explain how the medical staff is selected. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2a Do you or will you provide medical services to all individuals in your community who can pay for themselves or have private health insurance? If "No," explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Do you or will you provide medical services to all individuals in your community who participate in Medicare? If "No," explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c Do you or will you provide medical services to all individuals in your community who participate in Medicaid? If "No," explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3a Do you or will you require persons covered by Medicare or Medicaid to pay a deposit before receiving services? If "Yes," explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Does the same deposit requirement, if any, apply to all other patients? If "No," explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a Do you or will you maintain a full-time emergency room? If "No," explain why you do not maintain a full-time emergency room. Also, describe any emergency services that you provide. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Do you have a policy on providing emergency services to persons without apparent means to pay? If "Yes," provide a copy of the policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c Do you have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? If "Yes," describe the arrangements, including whether they are written or oral agreements. If written, submit copies of all such agreements. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5a Do you provide for a portion of your services and facilities to be used for charity patients? If "Yes," answer 5b through 5e. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Explain your policy regarding charity cases, including how you distinguish between charity care and bad debts. Submit a copy of your written policy. | |
| c Provide data on your past experience in admitting charity patients, including amounts you expend for treating charity care patients and types of services you provide to charity care patients. | |
| d Describe any arrangements you have with federal, state, or local governments or government agencies for paying for the cost of treating charity care patients. Submit copies of any written agreements. | |
| e Do you provide services on a sliding fee schedule depending on financial ability to pay? If "Yes," submit your sliding fee schedule. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6a Do you or will you carry on a formal program of medical training or medical research? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliations with other hospitals or medical care providers with which you carry on the medical training or research programs. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Do you or will you carry on a formal program of community education? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliation with other hospitals or medical care providers with which you offer community education programs. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7 Do you or will you provide office space to physicians carrying on their own medical practices? If "Yes," describe the criteria for who may use the space, explain the means used to determine that you are paid at least fair market value, and submit representative lease agreements. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 8 Is your board of directors comprised of a majority of individuals who are representative of the community you serve? Include a list of each board member's name and business, financial, or professional relationship with the hospital. Also, identify each board member who is representative of the community and describe how that individual is a community representative. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all agreements. | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

Schedule C. Hospitals and Medical Research Organizations (Continued)**Section I Hospitals (Continued)**

- 10** Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. **Yes** **No**
- Note.** Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.
-
- 11** Do you or will you offer recruitment incentives to physicians? If "Yes," describe your recruitment incentives and attach copies of all written recruitment incentive policies. **Yes** **No**
-
- 12** Do you or will you lease equipment, assets, or office space from physicians who have a financial or professional relationship with you? If "Yes," explain how you establish a fair market value for the lease. **Yes** **No**
-
- 13** Have you purchased medical practices, ambulatory surgery centers, or other business assets from physicians or other persons with whom you have a business relationship, aside from the purchase? If "Yes," submit a copy of each purchase and sales contract and describe how you arrived at fair market value, including copies of appraisals. **Yes** **No**
-
- 14** Have you adopted a **conflict of interest policy** consistent with the sample health care organization conflict of interest policy in Appendix A of the instructions? If "Yes," submit a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," explain how you will avoid any conflicts of interest in your business dealings. **Yes** **No**

Section II Medical Research Organizations

- 1** Name the hospitals with which you have a relationship and describe the relationship. Attach copies of written agreements with each hospital that demonstrate continuing relationships between you and the hospital(s).
-
- 2** Attach a schedule describing your present and proposed activities for the direct conduct of medical research; describe the nature of the activities, and the amount of money that has been or will be spent in carrying them out.
-
- 3** Attach a schedule of assets showing their fair market value and the portion of your assets directly devoted to medical research.

Schedule D. Section 509(a)(3) Supporting Organizations

Section I Identifying Information About the Supported Organization(s)

1 State the names, addresses, and EINs of the supported organizations. If additional space is needed, attach a separate sheet.

Name	Address	EIN
	-----	-
	-----	-

2 Are all supported organizations listed in line 1 public charities under section 509(a)(1) or (2)? If "Yes," go to Section II. If "No," go to line 3. **Yes** **No**

3 Do the supported organizations have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? **Yes** **No**

If "Yes," for each 501(c)(4), (5), or (6) organization supported, provide the following financial information:

- Part IX-A. Statement of Revenues and Expenses, lines 1-13 and
- Part X, lines 6b(ii)(a), 6b(ii)(b), and 7.

If "No," attach a statement describing how each organization you support is a public charity under section 509(a)(1) or (2).

Section II Relationship with Supported Organization(s)—Three Tests

To be classified as a supporting organization, an organization must meet one of three relationship tests:

- Test 1: "Operated, supervised, or controlled by" one or more publicly supported organizations, or
- Test 2: "Supervised or controlled in connection with" one or more publicly supported organizations, or
- Test 3: "Operated in connection with" one or more publicly supported organizations.

1 Information to establish the "operated, supervised, or controlled by" relationship (Test 1)
Is a majority of your governing board or officers elected or appointed by the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," continue to line 2. **Yes** **No**

2 Information to establish the "supervised or controlled in connection with" relationship (Test 2)
Does a majority of your governing board consist of individuals who also serve on the governing board of the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," go to line 3. **Yes** **No**

3 Information to establish the "operated in connection with" responsiveness test (Test 3)
Are you a trust from which the named supported organization(s) can enforce and compel an accounting under state law? If "Yes," explain whether you advised the supported organization(s) in writing of these rights and provide a copy of the written communication documenting this; go to Section II, line 5. If "No," go to line 4a. **Yes** **No**

4 Information to establish the alternative "operated in connection with" responsiveness test (Test 3)
a Do the officers, directors, trustees, or members of the supported organization(s) elect or appoint one or more of your officers, directors, or trustees? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4b. **Yes** **No**

b Do one or more members of the governing body of the supported organization(s) also serve as your officers, directors, or trustees or hold other important offices with respect to you? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4c. **Yes** **No**

c Do your officers, directors, or trustees maintain a close and continuous working relationship with the officers, directors, or trustees of the supported organization(s)? If "Yes," explain and provide documentation. **Yes** **No**

d Do the supported organization(s) have a significant voice in your investment policies, in the making and timing of grants, and in otherwise directing the use of your income or assets? If "Yes," explain and provide documentation. **Yes** **No**

e Describe and provide copies of written communications documenting how you made the supported organization(s) aware of your supporting activities.

Schedule D. Section 509(a)(3) Supporting Organizations (Continued)**Section II Relationship with Supported Organization(s)—Three Tests (Continued)**

- 5** Information to establish the “operated in connection with” integral part test (Test 3)
Do you conduct activities that would otherwise be carried out by the supported organization(s)? If “Yes,” explain and go to Section III. If “No,” continue to line 6a. **Yes** **No**
-
- 6** Information to establish the alternative “operated in connection with” integral part test (Test 3)
- a** Do you distribute at least 85% of your annual **net income** to the supported organization(s)? If “Yes,” go to line 6b. (See instructions.) **Yes** **No**
If “No,” state the percentage of your income that you distribute to each supported organization. Also explain how you ensure that the supported organization(s) are attentive to your operations.
- b** How much do you contribute annually to each supported organization? Attach a schedule.
- c** What is the total annual revenue of each supported organization? If you need additional space, attach a list.
- d** Do you or the supported organization(s) **earmark** your funds for support of a particular program or activity? If “Yes,” explain. **Yes** **No**
-
- 7a** Does your organizing document specify the supported organization(s) by name? If “Yes,” state the article and paragraph number and go to Section III. If “No,” answer line 7b. **Yes** **No**
- b** Attach a statement describing whether there has been an historic and continuing relationship between you and the supported organization(s).

Section III Organizational Test

- 1a** If you met relationship Test 1 or Test 2 in Section II, your organizing document must specify the supported organization(s) by name, or by naming a similar purpose or charitable class of beneficiaries. If your organizing document complies with this requirement, answer “Yes.” If your organizing document does not comply with this requirement, answer “No,” and see the instructions. **Yes** **No**
- b** If you met relationship Test 3 in Section II, your organizing document must generally specify the supported organization(s) by name. If your organizing document complies with this requirement, answer “Yes,” and go to Section IV. If your organizing document does not comply with this requirement, answer “No,” and see the instructions. **Yes** **No**

Section IV Disqualified Person Test

You do not qualify as a supporting organization if you are **controlled** directly or indirectly by one or more **disqualified persons** (as defined in section 4946) other than **foundation managers** or one or more organizations that you support. Foundation managers who are also disqualified persons for another reason are disqualified persons with respect to you.

- 1a** Do any persons who are disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If “Yes,” (1) describe the process by which disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons and the foundation managers they appoint, and (3) explain how control is vested over your operations (including assets and activities) by persons other than disqualified persons. **Yes** **No**
- b** Do any persons who have a family or business relationship with any disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If “Yes,” (1) describe the process by which individuals with a family or business relationship with disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons, the individuals with a family or business relationship with disqualified persons, and the foundation managers appointed, and (3) explain how control is vested over your operations (including assets and activities) in individuals other than disqualified persons. **Yes** **No**
- c** Do any persons who are disqualified persons, (except individuals who are disqualified persons only because they are foundation managers), have any influence regarding your operations, including your assets or activities? If “Yes,” (1) provide the names of these disqualified persons, (2) explain how influence is exerted over your operations (including assets and activities), and (3) explain how control is vested over your operations (including assets and activities) by individuals other than disqualified persons. **Yes** **No**

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation

Schedule E is intended to determine whether you are eligible for tax exemption under section 501(c)(3) from the postmark date of your application or from your date of incorporation or formation, whichever is earlier. If you are not eligible for tax exemption under section 501(c)(3) from your date of incorporation or formation, Schedule E is also intended to determine whether you are eligible for tax exemption under section 501(c)(4) for the period between your date of incorporation or formation and the postmark date of your application.

- 1** Are you a church, association of churches, or integrated auxiliary of a church? If "Yes," complete Schedule A and stop here. Do not complete the remainder of Schedule E. **Yes** **No**
-
- 2a** Are you a public charity with annual **gross receipts** that are normally \$5,000 or less? If "Yes," stop here. Answer "No" if you are a private foundation, regardless of your gross receipts. **Yes** **No**
- b** If your gross receipts were normally more than \$5,000, are you filing this application within 90 days from the end of the tax year in which your gross receipts were normally more than \$5,000? If "Yes," stop here. **Yes** **No**
-
- 3a** Were you included as a subordinate in a group exemption application or letter? If "No," go to line 4. **Yes** **No**
- b** If you were included as a subordinate in a group exemption letter, are you filing this application within 27 months from the date you were notified by the organization holding the group exemption letter or the Internal Revenue Service that you cease to be covered by the group exemption letter? If "Yes," stop here. **Yes** **No**
- c** If you were included as a subordinate in a timely filed group exemption request that was denied, are you filing this application within 27 months from the postmark date of the Internal Revenue Service final adverse ruling letter? If "Yes," stop here. **Yes** **No**
-
- 4** Were you created on or before October 9, 1969? If "Yes," stop here. Do not complete the remainder of this schedule. **Yes** **No**
-
- 5** If you answered "No" to lines 1 through 4, we cannot recognize you as tax exempt from your date of formation unless you qualify for an extension of time to apply for exemption. Do you wish to request an extension of time to apply to be recognized as exempt from the date you were formed? If "Yes," attach a statement explaining why you did not file this application within the 27-month period. Do not answer lines 6, 7, or 8. If "No," go to line 6a. **Yes** **No**
-
- 6a** If you answered "No" to line 5, you can only be exempt under section 501(c)(3) from the postmark date of this application. Therefore, do you want us to treat this application as a request for tax exemption from the postmark date? If "Yes," you are eligible for an advance ruling. Complete Part X, line 6a. If "No," you will be treated as a private foundation. **Yes** **No**
- Note.** Be sure your ruling eligibility agrees with your answer to Part X, line 6.
- b** Do you anticipate significant changes in your sources of support in the future? If "Yes," complete line 7 below. **Yes** **No**

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation (Continued)

7 Complete this item only if you answered "Yes" to line 6b. Include projected revenue for the first two full years following the current tax year.

Type of Revenue	Projected revenue for 2 years following current tax year		
	(a) From To	(b) From To	(c) Total
1 Gifts, grants, and contributions received (do not include unusual grants)			
2 Membership fees received			
3 Gross investment income			
4 Net unrelated business income			
5 Taxes levied for your benefit			
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)			
7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)			
8 Total of lines 1 through 7			
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)			
10 Total of lines 8 and 9			
11 Net gain or loss on sale of capital assets (attach an itemized list)			
12 Unusual grants			
13 Total revenue. Add lines 10 through 12			

8 According to your answers, you are only eligible for tax exemption under section 501(c)(3) from the postmark date of your application. However, you may be eligible for tax exemption under section 501(c)(4) from your date of formation to the postmark date of the Form 1023. Tax exemption under section 501(c)(4) allows exemption from federal income tax, but generally not deductibility of contributions under Code section 170. Check the box at right if you want us to treat this as a request for exemption under 501(c)(4) from your date of formation to the postmark date. ▶

Attach a completed Page 1 of Form 1024, Application for Recognition of Exemption Under Section 501(a), to this application.

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing**Section I General Information About Your Housing**

1 Describe the type of housing you provide.

2 Provide copies of any application forms you use for admission.

3 Explain how the public is made aware of your facility.

4a Provide a description of each facility.

b What is the total number of residents each facility can accommodate?

c What is your current number of residents in each facility?

d Describe each facility in terms of whether residents rent or purchase housing from you.

5 Attach a sample copy of your residency or homeownership contract or agreement.

6 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all joint venture agreements. **Yes** **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing? If "Yes," explain how that entity is selected, explain how the terms of any contract(s) are negotiated at arm's length, and explain how you determine you will pay no more than fair market value for services. **Yes** **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. **Yes** **No**

Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

9 Do you participate in any government housing programs? If "Yes," describe these programs. **Yes** **No**

10a Do you own the facility? If "No," describe any enforceable rights you possess to purchase the facility in the future; go to line 10c. If "Yes," answer line 10b. **Yes** **No**

b How did you acquire the facility? For example, did you develop it yourself, purchase a project, etc. Attach all contracts, transfer agreements, or other documents connected with the acquisition of the facility.

c Do you lease the facility or the land on which it is located? If "Yes," describe the parties to the lease(s) and provide copies of all leases. **Yes** **No**

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing (Continued)**Section II Homes for the Elderly or Handicapped**

- 1a** Do you provide housing for the elderly? If "Yes," describe who qualifies for your housing in terms of age, infirmity, or other criteria and explain how you select persons for your housing. **Yes** **No**
- b** Do you provide housing for the handicapped? If "Yes," describe who qualifies for your housing in terms of disability, income levels, or other criteria and explain how you select persons for your housing. **Yes** **No**
-
- 2a** Do you charge an entrance or founder's fee? If "Yes," describe what this charge covers, whether it is a one-time fee, how the fee is determined, whether it is payable in a lump sum or on an installment basis, whether it is refundable, and the circumstances, if any, under which it may be waived. **Yes** **No**
- b** Do you charge periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. **Yes** **No**
- c** Is your housing affordable to a significant segment of the elderly or handicapped persons in the community? Identify your **community**. Also, if "Yes," explain how you determine your housing is affordable. **Yes** **No**
-
- 3a** Do you have an established policy concerning residents who become unable to pay their regular charges? If "Yes," describe your established policy. **Yes** **No**
- b** Do you have any arrangements with government welfare agencies or others to absorb all or part of the cost of maintaining residents who become unable to pay their regular charges? If "Yes," describe these arrangements. **Yes** **No**
-
- 4** Do you have arrangements for the healthcare needs of your residents? If "Yes," describe these arrangements. **Yes** **No**
-
- 5** Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped? If "Yes," describe these design features. **Yes** **No**

Section III Low-Income Housing

- 1** Do you provide low-income housing? If "Yes," describe who qualifies for your housing in terms of income levels or other criteria, and describe how you select persons for your housing. **Yes** **No**
-
- 2** In addition to rent or mortgage payments, do residents pay periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. **Yes** **No**
-
- 3a** Is your housing affordable to low income residents? If "Yes," describe how your housing is made affordable to low-income residents. **Yes** **No**
- Note.** Revenue Procedure 96-32, 1996-1 C.B. 717, provides guidelines for providing low-income housing that will be treated as charitable. (At least 75% of the units are occupied by low-income tenants or 40% are occupied by tenants earning not more than 120% of the very low-income levels for the area.)
- b** Do you impose any restrictions to make sure that your housing remains affordable to low-income residents? If "Yes," describe these restrictions. **Yes** **No**
-
- 4** Do you provide social services to residents? If "Yes," describe these services. **Yes** **No**

Schedule G. Successors to Other Organizations

1a Are you a **successor** to a **for-profit organization**? If "Yes," explain the relationship with the **predecessor** organization that resulted in your creation and complete line 1b. Yes No

b Explain why you took over the activities or assets of a for-profit organization or converted from for-profit to nonprofit status.

2a Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation. Yes No

b Provide the tax status of the predecessor organization.

c Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved. Yes No

d Was your prior tax exemption or the tax exemption of an organization to which you are a successor revoked or suspended? If "Yes," explain. Include a description of the corrections you made to re-establish tax exemption. Yes No

e Explain why you took over the activities or assets of another organization.

3 Provide the name, last address, and EIN of the predecessor organization and describe its activities.

Name: _____ **EIN:** -
Address: _____

4 List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization. Attach a separate sheet if additional space is needed.

Name	Address	Share/Interest (If a for-profit)

5 Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest. Yes No

6a Were any assets transferred, whether by gift or sale, from the predecessor organization to you? If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof. Yes No

b Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions. Yes No

c Provide a copy of the agreement(s) of sale or transfer.

7 Were any debts or liabilities transferred from the predecessor for-profit organization to you? If "Yes," provide a list of the debts or liabilities that were transferred to you, indicating the amount of each, how the amount was determined, and the name of the person to whom the debt or liability is owed. Yes No

8 Will you lease or rent any property or equipment previously owned or used by the predecessor for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest? If "Yes," submit a copy of the lease or rental agreement(s). Indicate how the lease or rental value of the property or equipment was determined. Yes No

9 Will you lease or rent property or equipment to persons listed in line 4, or to for-profit organizations in which these persons own more than a 35% interest? If "Yes," attach a list of the property or equipment, provide a copy of the lease or rental agreement(s), and indicate how the lease or rental value of the property or equipment was determined. Yes No

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures

Section I *Names of individual recipients are not required to be listed in Schedule H.*

Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.

- 1a Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
 - b Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
 - c If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
 - d Specify how your program is publicized.
 - e Provide copies of any solicitation or announcement materials.
 - f Provide a sample copy of the application used.
-
- 2 Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions. Yes No
-
- 3 Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
-
- 4a Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
- b Describe how you determine the number of grants that will be made annually.
- c Describe how you determine the amount of each of your grants.
- d Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
-
- 5 Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
-
- 6 Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
-
- 7 Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections? Yes No

Note. If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

Section II **Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.**

- 1a If we determine that you are a private foundation, do you want this application to be considered as a request for advance approval of grant making procedures? Yes No N/A
 - b For which section(s) do you wish to be considered?
 - 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution
 - 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product
-
- 2 Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring? Yes No
-
- 3 Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2? Yes No

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures (Continued)

Section II Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section. (Continued)

- 4a** Do you or will you award scholarships, fellowships, and educational loans to attend an educational institution based on the status of an individual being an *employee of a particular employer*? If "Yes," complete lines 4b through 4f. **Yes** **No**
- b** Will you comply with the seven conditions and either the percentage tests or facts and circumstances test for scholarships, fellowships, and educational loans to attend an educational institution as set forth in Revenue Procedures 76-47, 1976-2 C.B. 670, and 80-39, 1980-2 C.B. 772, which apply to inducement, selection committee, eligibility requirements, objective basis of selection, employment, course of study, and other objectives? (See lines 4c, 4d, and 4e, regarding the percentage tests.) **Yes** **No**
- c** Do you or will you provide scholarships, fellowships, or educational loans to attend an educational institution to employees of a particular employer? **Yes** **No** **N/A**
 If "Yes," will you award grants to 10% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? **Yes** **No**
- d** Do you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer? **Yes** **No** **N/A**
 If "Yes," will you award grants to 25% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? If "No," go to line 4e. **Yes** **No**
- e** If you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer, will you award grants to 10% or fewer of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application) in that year, as provided by Revenue Procedures 76-47 and 80-39? **Yes** **No** **N/A**
 If "Yes," describe how you will determine who can be shown to be eligible for grants without submitting an application, such as by obtaining written statements or other information about the expectations of employees' children to attend an educational institution. If "No," go to line 4f.
- Note.** Statistical or sampling techniques are not acceptable. See Revenue Procedure 85-51, 1985-2 C.B. 717, for additional information.
- f** If you provide scholarships, fellowships, or educational loans to attend an educational institution to *children of employees of a particular employer* without regard to either the 25% limitation described in line 4d, or the 10% limitation described in line 4e, will you award grants based on facts and circumstances that demonstrate that the grants will not be considered compensation for past, present, or future services or otherwise provide a significant benefit to the particular employer? If "Yes," describe the facts and circumstances that you believe will demonstrate that the grants are neither compensatory nor a significant benefit to the particular employer. In your explanation, describe why you cannot satisfy either the 25% test described in line 4d or the 10% test described in line 4e. **Yes** **No**

Form 1023 Checklist

(Revised June 2006)

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

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
 - Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.

- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.

- Employer Identification Number (EIN)

- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
 - You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.

- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A	Yes ___ No <input checked="" type="checkbox"/>	Schedule E	Yes ___ No <input checked="" type="checkbox"/>
Schedule B	Yes ___ No <input checked="" type="checkbox"/>	Schedule F	Yes ___ No <input checked="" type="checkbox"/>
Schedule C	Yes ___ No <input checked="" type="checkbox"/>	Schedule G	Yes ___ No <input checked="" type="checkbox"/>
Schedule D	Yes ___ No <input checked="" type="checkbox"/>	Schedule H	Yes ___ No <input checked="" type="checkbox"/>

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) Page 1 article II
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law Page 2 Article V
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Attachment to Part IV
Narrative Description of Activities
Arroyo Sustainable Economies Community Organization (ASECO)

The following narrative describes the activities of Arroyo Sustainable Economies Community Organization (ASECO). Please note that all activities described below are currently operated as a small project of a much larger organization, the Cooperative Resources & Services Project (CRSP). Once the ASECO corporation obtains tax exemption, all of the projects listed below will become projects of ASECO. Since the activities below are relatively small and require very little funding, the movement of these activities from CRSP to ASECO will not create a successor relationship between the two organizations.

Please also note that ASECO does not have legal members at this time. Thus, any use of the word “member” below refers to members in the informal sense of the word; in other words, the “members” are participants in our activities.

**Activity #1:
Community Educational Events**

Description and Exempt Purpose of Activity:

A primary purpose of Arroyo Sustainable Economies Community Organization (ASECO) is to educate communities about sustainable economies, co-production, and the sharing economy. ASECO’s monthly community events include speakers across disciplines relating to our purpose. Speakers have included:

- Diane Carroll, of the Maverick Center, discussing ways to increase interpersonal connections within a community;
- Mud Baron, presenting on the Muir Ranch, a local learning garden and community-supported agriculture program;
- Dr. Edgar Cahn, founder of Time Banks USA, discussing the origins and applications of time banking;
- Erik Knutzen, of Root Simple, describing his experience as a sustainable urban farmer and homesteader; and
- Michelle Weiner, of Transition Town Culver City, explaining how it is a model for sustainable community development.

In addition, ASECO has hosted classes on a variety of topics aimed at empowering communities with skills to support economic self-reliance. Class topics include:

- Disaster preparedness;
- Conflict resolution for kids;
- Container gardening;
- Time banking and the sharing economy;
- Community gardening;
- Repair Cafes, where participants repair household items and share skills with one another;
- Spanish for beginners;

- Yoga, Tai chi, and Qi Gong
- Diet and Nutrition

In the last two years, ASECO has actively sought to build an engaged learning community by hosting talks and information booths at local events such as the Pasadena Earth and Arts Festival, The Los Angeles Green Festival, The Eco Maya Festival, The Living Economy Salon, The Leadership Academy, Watts Community Festival, California Time Bank Conference, Mindshare, Time Banks USA Conference, Day One Parent Conference, Earthflow Permaculture Class, Southern California Permaculture Convergence, and GOOD Pop Up Community Center.

To demonstrate the range of educational events offered by ASECO, we have attached a copy of the March-August 2013 ASECO calendar of events.

Where, When, and By Whom this Activity is Conducted: All events are taught by volunteers, open to the public, and take place in a variety of accessible locations throughout the Los Angeles area. ASECO's regular community education events began in mid-2011 and have been offered consistently at a rate of between one and six events per month since that time.

How this Activity is Funded: The costs associated with these programs are minimal and supported primarily by individual donations and grants, volunteer time, or in kind donations of venue and food.

Percentage of Total Organization Time Devoted to this Activity: 30%

**Activity #2:
Administration of Online Networks to Promote Community Service**

Description and Exempt Purpose of Activity:

To further both educational and charitable purpose, ASECO administers an online community network designed to promote volunteerism, community service and mutual aid for community members in need, and training on alternative forms of exchange. This system, known as "time bank," is modeled after the work of numerous similar organizations that have been granted tax exemption by the IRS under 501(c)(3). We refer to this activity as the Arroyo S.E.C.O. Network of Time Banks.

Time banks are primarily a tool for alleviating poverty, economic distress, community deterioration, and neighborhood tensions. In Los Angeles County, as of early 2013, 16.3% of households are below the poverty line (Source: U.S. Census Quick Facts for Los Angeles County), and the unemployment rate is 10.2% (Source: California Employment Development Department). ASECO has created a time bank in response to the high levels of poverty and unemployment in our communities, providing a source of economic stability and support for community members. The time bank also combats community deterioration by motivating community service through increased volunteering at more than 25 local community organizations. In addition, the time bank lessens neighborhood tensions and crime by strengthening social ties in neighborhoods; over 50% of 109 surveyed participants report that they joined the time bank to improve their sense of community, among other reasons.

A time bank is an online community network that builds in a pay-it-forward system of motivation: When one network member provides one hour of assistance to another member, the first member is given a point or “time credit” in the online system, and the second member debits one “time credit” to the other. Each time credit is given or received based on one hour of service, regardless of whether it is a skilled or unskilled service. This creates a heightened sense of empowerment and self worth among participants, whose time might otherwise be unvalued or undervalued. Significantly, members may accrue an unlimited negative balance of “time credits,” which means that someone in need of assistance – such as a person with an illness or disability – may get the help they need, without the obligation to earn back the credits they spend. Likewise, someone who provides many hours of service through the time bank does so with the understanding that he or she has no guarantee of having the favor returned.

In the above respects, a time bank is distinguished from a barter network, and could be more accurately described as a community-building tool with a system that motivates and enables community service. The accumulation of points or “time credits” gives members incentives to help those in need, and in turn, people in need receive support that they might otherwise not have been able to afford. Members of the time bank commonly provide services such as childcare, elder care, tutoring, pet care, gardening, food preparation, acupuncture, housecleaning, home maintenance, music lessons, or other personal services. Members may also donate time credits to other members.

In sum, the ASECO time bank alleviates poverty, economic distress, community deterioration, and lessens neighborhood tensions in a five primary ways:

- 1) **Reducing isolation for distressed and disadvantaged community members:** The time bank creates a visible and supportive community of people who are unemployed, underemployed, or in need of important services they cannot afford or otherwise access. This reduces isolation for poor, disadvantaged, and distressed members of the community. The social connections and opportunities available in a time bank help to enhance individual’s self worth and sense of belonging. Over 75% of ASECO time bank members report building new relationships through their time banking experiences (Source: Arroyo SECO Network of Time Banks Survey 2013).

Reducing isolation and building community connections has also been found to reduce crime. A multi-year study by the Harvard School of Public Health (published in the August 1997 issue of *Science*) concluded that poverty and joblessness could not account for the differences in crime they found in largely black neighborhoods. The study examined 343 neighborhoods in Chicago and interviewed 8,872 residents, and concluded: By far the largest predictor of the violent crime rate was ‘collective efficacy’ – a qualitative measurement of community cohesion supported by trust and the role of neighbors in monitoring the neighborhood (Source: *The Co-Production Principle and Time Dollars*, David Boyle). Similarly, a three-year study by Gallop and Knight Foundation found that communities with the highest levels of community attachment, as measured by factors such as opportunities for social interaction and citizen caring, had the highest rates of economic growth (Source: John S. and James L. Knight Foundation).

- 2) **Experiential learning and skill practice:** The time bank offers an experiential learning environment in which members can offer and practice a variety of skills and services, and in which members can learn about and practice strategies for meeting needs without money. Learning new skills and building self-reliance increase personal well-being and health, and can also lead to increased economic stability as low-income people learn to meet basic needs in different ways. These skills will be critical for every community member to have during times of economic downturn. 75% of ASECO time bank members report improved general well-being and 30% have seen improved economic stability as a result of their participation in the time bank (Source: Arroyo SECO Network of Time Banks Survey 2013).

- 3) **Opportunities for unemployed, underemployed and low-income individuals:** According to an online survey of ASECO members, 25% are eligible for government assistance and 57% are not employed full-time for wages (Source: Arroyo SECO Network of Time Banks Survey 2013). The time bank provides a forum where unemployed and underemployed participants can learn about channels for offering and using their skills, becoming productive, and receiving help to meet their needs. The social interactions facilitated by the time bank can also lead to a stronger sense of community and improved personal wellbeing, which is particularly important for people struggling to find work in times of high unemployment.

- 4) **Meeting special needs:** People with special needs – such as the elderly or people with disabilities – are able to seek help through the network of assistance offered by volunteers through a time bank. The recent survey of members revealed that 7.34% of ASECO’s time bank users report that they live with a partially-debilitating health condition, and 12.04% report that they suffer from chronic health problems. As one ASECO time bank member wrote in the survey, “[I was] recovering from a debilitating injury sustained right when I moved to LA, [time banking] became a way to heal [with acupuncture and massage], improve my professional abilities [illustrator classes] and build my sense of community.”

- 5) **Motivating community service:** In communities at risk of deterioration, a time bank motivates community service in a variety of forms. In particular, by partnering with a diverse array of community organizations, the ASECO time bank helps organizations to meet their volunteer needs, and creates more opportunities for time bank members to do meaningful work that benefits the community. Time bank members can currently earn time credits for volunteering with the following partnering organizations:
 - 826 LA East
 - Acorn Works
 - Altadena Heritage
 - Armory Center For the Arts
 - ACLA (Art. Community. Land. Activism!)
 - Bresee Foundation Community Center
 - Coalition for Clean Air
 - Cornerstone Theater
 - Cooperative Resources & Services Project
 - Echo Park Film Center
 - Friends Western School Pasadena

Micheltorena Elementary School Community Garden
Pasadena Child Development Associates, Inc.
Survivor's Truths

Other exempt purposes served by ASECO time bank depend partially on the nature of the particular services members provide and receive through the Time Bank. For example:

- **Promotion of Health:** The time bank creates a forum through which any member may seek and receive free health care or participate in preventative activities. In this respect, the time bank promotes health for the community. Time bank participants have received blood tests, well-woman exams and post partum doula services, as well as organized support groups, nutrition advice, and an exercise group for preventative health.
- **Combating Juvenile Delinquency:** The time bank also creates a forum in which youth may volunteer their time and receive needed services, such as conflict mediation training, which empowers youth to resolve conflicts in positive ways. This training combats juvenile delinquency by providing youth with a positive skill, sense of belonging, and opportunity for meaningful participation in the community.

Membership in the time bank is open to all. Community members may join the ASECO time bank by filling out a brief online application form and attending an orientation. No one has been denied membership to date. A group of current members reviews applications and invites applicants to an orientation. The purpose of orientation is to help new members get acquainted with our mission, core values, and software. Because we have a web-based interface, members without computer access are paired with a partner who can be their liaison; we recognize that community members have varying levels of computer skills and we aim to foster a welcoming culture of inclusivity and tolerance.

The primary roles of ASECO in operating the time bank include:

1. Maintaining and updating the website, social media, event information, software upgrades, and overall online public communications.
2. Conducting outreach by attending community events and providing community members with information about the time bank. Our educational activities, described in Activity #1, dovetail with our time bank in many important ways. The efficacy of the time bank relies heavily on community members' understanding of the purpose and spirit of a time bank and of the value of community building.
3. Orienting new members every month.
4. Helping people make connections with one another and connecting untapped resources with unmet needs. We have a team of "matchmakers," members who are available to introduce people to each other in case they cannot find what they need.
5. Hosting many projects and events – such as potlucks and gardening days – to build community trust and encourage mutual support.
6. Providing community members an incentive to be active in community service by offering discount public transportation (metro) passes. To qualify for the discount metro pass, members are required to conduct 12 exchanges per year. This encourages participation and builds local resiliency. Members pay a year up front to

ASECO and ASECO pays Metro. ASECO does not charge for this service. This project is unfunded and managed by time bank members.

Where, When, and By Whom this Activity is Conducted: Volunteer time bank members manage these services on a consistent basis. With adequate funding, ASECO may hire staff to manage some of the administrative tasks involved with the time bank. Activities are conducted at local community centers, libraries, private homes, churches, or other donated facilities.

How this Activity is Funded: Members donate their time to help manage these services and are given time credits for their assistance. We provide these services without charge. ASECO requests donations but no one is turned away for lack of funds. ASECO will be seeking grants to sustain the administration of the time bank as it grows.

Percentage of Total Organization Time Devoted to this Activity: 25%

**Activity #3:
Providing Education and Technical Support to Other Time Banks**

Description and Exempt Purpose of Activity:

ASECO coordinates and convenes an informal network known as the California Federation of Time Banks, the primary purpose of which is educational. In this role, ASECO assists in organizing conferences, regional trainings, and conference calls aimed providing learning opportunities for time bank organizers in California. ASECO also provides technical assistance on how to start a time bank, best practices, and general information about time banking.

Where, When, and By Whom this Activity is Conducted: ASECO members and community volunteers provide these services.

How this Activity is Funded: Members donate their time to help manage these services and are given time credits for their assistance. We provide these services without charge. ASECO requests donations but no one is turned away for lack of funds. ASECO may seek grants to support future events and conferences for the California Federation of Time Banks.

Percentage of Total Organization Time Devoted to this Activity: 20%

**Activity #4:
Community Revolving Loan Fund for New Enterprises in Communities of Economic Distress**

Description and Exempt Purpose of Activity: Launching in January of 2014, the Arroyo SECO Community Revolving Loan Fund (CRLF) is a charitable project seeking to educate, support, and empower our local community through micro-loans and access to professional development. The CRLF supports community revitalization by offering local community members – many of whom are artisans, entrepreneurs and members of worker-owned cooperatives – access to community-supported, low interest micro-loans to build their small businesses.

The CRLF is aimed at the relief of community deterioration and the relief of the poor and distressed and underprivileged. Most small business owners, especially those in high density urban areas of economic distress, cannot qualify for loans from major banking institutions because their businesses do not meet the lending requirements or priorities for big banks (typically \$100,000 or more), because of the financial risks involved in establishing and operating enterprises in an economically distressed area, or because of their membership in minority or other disadvantaged groups. But studies have shown that locally owned businesses in any community have a greater positive impact on the local economy than national chains and large corporations, because they create more jobs for locals, encourage residents to buy more locally, ease community tension and distress from limited access to goods and services, and they give more to local charities.

Eligible community members with either a small business or worker-owned cooperative may apply to receive a micro-loan of between \$500 and \$5000.

In order to be eligible to receive a loan, an applicant must demonstrate that he/she is any of the following:

1. Starting or operating a business that is likely to contribute importantly to the revitalization of a neighborhood of demonstrated economic distress;
2. Starting or operating a business aimed at creating employment opportunities in a neighborhood of demonstrated economic distress;
3. A low income individual (measured at twice the poverty level), without access to conventional commercial financing; or
4. A member of a disadvantaged class of individuals without access to conventional commercial financing.

To be eligible to receive a loan, a community member must also demonstrate that he or she has performed the following:

5. Attended the required, no-cost educational workshops through the Local Economy Incubator (described below) to obtain and/or enhance business and employment development skills and knowledge; and
6. Completed the CRLF Application describing the business/cooperative in need of funds, statement of need, anticipated impact of the loan on the borrower, a business plan (if available), financials that demonstrate cash flow and repayment strategy, the impact of business on the community, and demonstrated commitment to improve the community it serves.

A volunteer committee of time bank members with no financial interest in the loans will review applications, choose loan recipients, and identify areas for professional development and education. Additional priority will be given to women business owners and the economically distressed, ventures that promote environmental and/or community sustainability, ventures that show direct and positive impact on the community, and social entrepreneurs or cooperatives with a social mission.

Funds to the borrower will be disbursed and administered by the Permaculture Credit Union (PCU), which will levy a 6% interest rate on the loan - a rate below most standard small business loan market rates. The 6% interest is designed primarily to pay for the PCU's costs in administering the loan. ASECO will not impose an interest rate of any kind for its own benefit or

purposes. Borrowers must become members of the PCU, with an account holding a minimum of \$50 and a \$5 processing fee. CRLF funds will be partitioned and released by PCU as loans are made and repaid. Loans will be exclusively managed by a volunteer loan manager who will provide monthly support and assistance to borrowers to ensure repayment. Loans will be deemed in default by PCU after 90 days without payment. Should a borrower default completely on a loan, the PCU will permanently withdraw the funds in question from partitioned CRLF funds. By partnering with an established and federally regulated financial institution, we offer our members an opportunity to enhance their existing credit rating, making them even more viable in the mainstream economic system by offering them access to resources that would otherwise be unobtainable.

As a requirement of receiving a loan, borrowers will also participate in the Local Economy Incubator, described below, which matches entrepreneurs with mentors who provide business development education in areas such as sustainability, strategy, business plan development, branding, media, and more. They will also be required to serve on at least one future loan review panel to provide peer support and to ensure each panel contains the valuable perspective of a former borrower.

Where, When, and By Whom this Activity is Conducted: ASECO volunteers will donate their time to help manage these services and will be given time credits in the time bank for their assistance. When funds become available ASECO may hire staff to assist in the administration of this program. This program will begin in January of 2014 and will focus on the Los Angeles area.

How this Activity is Funded: This activity will be funded by many small individual donations and a \$5000 grant received by our current sponsor, CRSP, for this purpose. ASECO may seek other grants in the future in order to grow the pool of funds available for lending.

Percentage of Total Organization Time Devoted to this Activity: 15%

Activity #5: Mentorship and Education for Entrepreneurs

Description and Exempt Purpose of Activity:

The ASECO Local Economy Incubator (LEI) provides technical assistance to community members who are developing a small business or cooperative. The primary purpose of LEI is educational. ASECO pairs these community members with local entrepreneurs who agree to be mentors and provide guidance on sustainability, business plans, branding, strategy, budgeting, and other support reasonably within the scope of a mentorship relationship. The LEI exists to support and empower emerging businesses and co-ops as a way to revitalize the local economy and make the community more self-reliant. The LEI educates and supports businesses that prioritize the wellbeing of community members and the planet, as well as provide a needed good or service for the region.

We offer professional development to two entrepreneurs or co-ops annually. Candidates are selected from a pool of applicants by a committee of time bank members and mentors. The list of criteria used in selecting participants includes that the participant must be a time bank member, conduct business in the local area, and source materials and supplies from within the

region as much as possible.

Where, When, and By Whom this Activity is Conducted: ASECO volunteers donate their time to help manage these services and are given time credits for their assistance. This program is offered throughout the year in the Los Angeles area.

How this Activity is Funded: We provide these services without charge, and, as a result, very little funding is needed. ASECO requests donations but no one is turned away for lack of funds.

Percentage of Total Organization Time Devoted to this Activity: 10%

Attachment to Part VI, Questions 1(a) and 1(b):

The following is a combined answer to Part VI, Questions 1 (a) and 1(b):

In carrying out our exempt purposes, ASECO provides a service to community members, which is to administer and ensure the smooth operation of an online network and point-tracking system for a time bank. The answer is the same for both Question 1(a) and Question 1(b), because individuals, businesses, and nonprofit organizations are eligible to join the time bank. We do not charge a fee to join the time bank, but we do lightly suggest that new members make a donation to our organization.

Attachment to Part VIII, Question 4a

Description of fundraising activities:

- Donations will be solicited via email from our community in an annual campaign to support the ongoing administrative infrastructure needed to facilitate service.
- Personal solicitations will be made periodically when a potential individual donor or funder is identified in the community.
- We will accept any vehicle, boat, or other equipment donation should it serve the purposes of the organization, i.e. if someone donates a truck to serve as a truck for the organization.
- Grant solicitations will be made to fund operating expenses. Grants will be solicited from both local and national foundations.
- Donations will be accepted via the website as a convenient way for the community to donate when possible.
- Government grant solicitations may be made in the future to fund some of our community initiatives.

Attachment to Part VIII, Questions 6a and 6b

Our only economic development activity is our Community Revolving Loan Fund (CRLF), which is described, in full, as “Activity #4” in Attachment to Part IV, “Narrative Description of Activities.” That Attachment describes who benefits from our economic development activities and how the activities promote exempt purposes.

Attachment to Part VIII, Question 10

ASECO may create, print, and electronically publish many materials to educate communities on sustainable economies and time banking. The intellectual property will be owned by ASECO and the materials will usually be provided to the public for free. We may occasionally charge a fee for publications, particularly to cover the cost of printing, or if we invest a substantial amount of time or other resources in creating the publications. The primary purpose of all publications is educational and fees will be designed to cover the costs of creating the publications.

Attachment to Part VIII, Question 11

ASECO has no current plans or opportunities to accept donations of real property or valuable assets. However, we would like to remain open to this possibility, in the event that such property or assets are offered to us. We will generally only accept the donation of such property or assets if title is given to us free and clear of encumbrance or other conditions.

Attachment to Part VIII, Question 13

ASECO makes loans to organizations and enterprises through our Community Revolving Loan Fund (CRLF), which is described, in full, as “Activity #4” in Attachment to Part IV, “Narrative Description of Activities.” That Attachment describes who benefits from the loans and how the activities promote exempt purposes.

The CRLF will begin in January of 2014, and we have therefore not yet developed all of the application forms and agreements that we will use in connection with the CRLF. We have not yet identified any recipients of the loans.

NAME OF ORGANIZATION:	Arroyo Sustainable Economies Community Organization
Form 1023 Attachment	Part IX Financial Data, Page 9, Attachment
Estimated Financials for 2014 - Arroyo S.E.C.O.	
SUPPORT & REVENUE	
Contribution Income	\$8,000.00
Fundraisers	\$2,500.00
REVENUE TOTAL:	\$10,500.00
OPERATING EXPENSES	
Category	Budgeted
Newsletter	\$125.00
Time Bank Software	\$900.00
Copies & Supplies	\$200.00
Web Hosting & Domains	\$45.00
Web maintenance	\$100.00
Insurance	\$1,000.00
Legal, Accounting	\$300.00
Other	\$500.00
OPERATING TOTAL:	\$3,170.00
PROGRAMS & EVENTS	
Community Projects	\$500.00
Community Workshops & Consulting	\$500.00
Annual Fundraiser	\$300.00
Speaker Series	\$2,500.00
Neighborhood Chapter Development	\$2,500.00
Other	\$500
PROGRAMS TOTAL:	\$6,800.00
EXPENSES GRAND TOTAL:	\$9,970.00
NET REVENUE OVER EXPENSES:	\$530