

Application for Michigan Community Foundation Certification

Issued under P.A. 36 of 2007.

Complete and submit this application no later than May 15, 2014.

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|---|-------|----------|-------------------------------------|------------|
| Name of Community Foundation | | | Calendar or Fiscal Year Ending Date | |
| Street Address | | | Contact Person | |
| City | State | ZIP Code | Telephone Number | Fax Number |
| Date of Incorporation or Establishment as a Trust | | | E-mail Address | |
| County Served | | | Current Endowment Value | |

QUALIFYING CRITERIA — See Page 2 for additional Michigan Community Foundation criteria

1. How does the organization satisfy the public support test? (See U.S. Treasury Regulation 1.170A-9(e)(10).)

- a. 33 1/3% of income test
- b. Covered by advance ruling period
- c. Facts and circumstances test. Explain in the space below how you qualify under this test.
- d. Other. Explain in the space below how you qualify.

2. List any geographic component funds held by the organization.

AFFIRMATION

I affirm that this information is true and complete to the best of my knowledge. I agree to submit all documentation requested by the Michigan Department of Treasury. I further understand that any misrepresentation on this application or in any document submitted with this application means this foundation may not be certified or may lose an existing certification.

The community foundation also agrees to acknowledge each donation in writing, describing the fund or manner in which the donation will be used, whether donors may claim the Michigan Certified Community Foundation Tax Credit, and a statement declaring that, absent any unusual circumstances, the donation will only be designated to an endowment fund.

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|--|-------|
| Authorized Signature | Date |
| Authorized Signer's Name (print or type) | Title |

ADDRESS FOR PUBLICATION

If the community foundation is certified for tax year 2014, the Department of Treasury will list the foundation's address and telephone number in future publications as it appears above, unless otherwise noted here.

| | | |
|-------------------------|-----------|----------|
| Address for Publication | Telephone | |
| City | State | ZIP Code |

Criteria and Requested Materials

A certified Michigan Community Foundation must meet all of the following criteria

1. The community foundation maintains federal tax exempt status under section 501(c)(3) of the Internal Revenue Code (IRC).
2. The community foundation has an independent governing body representing the general public's interest that is not appointed by a single outside entity.
3. The community foundation maintains at least one part-time or full-time employee continually during the tax year for which this credit will be claimed.
4. The community foundation is not a supporting organization as defined in Section 509(a)(3) of the Internal Revenue Code and U.S. Treasury Regulation 1.509 (a) -4-5.
5. Your organization must hold endowment funds. If your organization filed a federal 990-EZ, please complete Form 4625, *Endowment Fund Worksheet*, on page 4 (attached). Organizations that filed the federal 990 are not required to complete this worksheet.

The credit is limited to gifts to an endowment fund held by a certified community foundation. "Endowment fund" means an institutional fund or part of an institutional fund that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. Endowment fund does not include assets that an institution designates as an endowment fund for its own use (Michigan Compiled Laws 451.922).

Supporting Documents

Please provide the documents and/or information requested below:

1. A copy of your federal 990 return for the most recent tax year, including all attachments and supporting schedules.
2. A copy of your most recent audited financial statements. Include a statement describing your investment and distribution policy if it is not already published in your financial statements. (NOTE: Community foundations with an endowment value of less than \$1 million are required to be audited only every three years. In non-audit years, submit a copy of your annual review.)
3. A copy of your most recent annual report, yearbook, or similar publication that is used to convey pertinent information regarding your organization to the public.
4. If your community foundation's board of directors has amended your bylaws or articles of incorporation since your last application for certification please include a copy of those amended documents.
5. A copy of your federal form 941, statement of tax deposits and filings, or other documentation to verify that you maintained at least one part-time or full-time employee in 2013.
6. Copies of representative samples of your organizations solicitation material, such as pledge forms, newsletters, brochures, pamphlets, etc.
7. Copy of the charitable solicitation license issued by the Michigan Office of the Attorney General.

The documents requested above should be for the calendar year 2013; or for fiscal filers, the last fiscal year ending before December 31, 2013. Should these document not be available by the May 15, 2014, application due date, the most recent documents obtainable (annual report, independently audited financial statements and federal 990) may be submitted. However, the law requires that once the independent financial audit is complete, a copy be supplied within 90 days. Therefore, if your audit for 2013 is not complete by May 15, 2014, you should submit a copy of your 2012 audit. When your 2013 audit is complete, a copy must be submitted within 90 days. Do not delay filing this application and the requested documentation beyond May 15, as your application for certification may be denied.

Filing Deadline: May 15, 2014

General Instructions

The Michigan Legislature has extended a credit under the Michigan Business Tax Act for contributions to an endowment fund of a certified community foundation. If your foundation meets the criteria described in this form, complete and submit this application and required materials no later than May 15, 2014.

If your application is submitted later than May 15, 2014, you will not be certified for the 2014 tax year. You will be required to reapply for the following tax year.

Because your status as a foundation may change, you must recertify every year. If your status changes during the year after you have been certified, you must notify Department of Treasury (Treasury) immediately.

The Community Foundation Unit will review your application and notify you of your application status by mail. A Revenue Administrative Bulletin announcing the list of Certified Community Foundations for the 2014 Tax Year will be posted to the Treasury Web site at www.michigan.gov/treasury.

Appeal Procedure

You may appeal an adverse decision by the Community Foundation Unit of the Department of Treasury. The written appeal must contain a statement of facts and grounds on which the appeal is based. In accordance with MCL 205.22, you may file a written appeal in either of the following ways:

1. With the Michigan Tax Tribunal, PO Box 30232, Lansing MI 48909, within 35 days from the date of this decision, or;
2. With the Michigan Court of Claims, PO Box 40771, Lansing MI 48901, within 90 days of this decision.

An organization may lose its certification status if it:

1. Loses status as an IRC 501(c)(3) entity.
2. Fails to meet the statutory criteria.
3. Submits to Treasury or a donor any false, misleading or incomplete information regarding its qualifications for certification.
4. Fails to obtain a charitable solicitation license from the Office of the Attorney General.

Confidentiality

All materials submitted to the Community Foundation Unit will be subject to the confidentiality provisions of the Revenue Act, as amended, MCL 205.28. The reasons for or against certification are likewise subject to the confidentiality provisions and will not be disclosed to the public.

New Organizations

If you were not certified in a prior year and have existed less than four years, submit the following in addition to the materials requested in this form:

- A copy of your annual audited financial statement for each year,
- A summary of the activities your foundation has supported since its formation, naming the charity, the purpose and the dollar amount awarded for each year, and
- If you have filed attachments with a 990 federal tax return, send a copy of all attachments with the 990 return.

When Finished

Mail completed form and all supporting documents to:

**Michigan Department of Treasury
Tax Policy Division
Education Foundation Unit
430 W. Allegan
Lansing MI 48922**

2014 Endowment Fund Return Worksheet (Federal 990-EZ Filers Only)

INSTRUCTIONS: If you filed a federal 990-EZ, please complete this form. Organizations that filed the federal 990 are not required to complete this worksheet. Your organization's endowment fund policy describing its investment and distribution practices also must maintain the corpus of the fund. For fiscal year filers, use the year that begins in 2012 and ends in 2013. Use the same data (same tax year/accounting period) from the financial statements and tax returns enclosed with your foundation application for certification.

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|-----------------|
| Foundation Name |
|-----------------|

PART 1: ENDOWMENT FUND CONTRIBUTIONS

This section reports all contributions to endowment funds.

1a. 2012 historical gifts to endowment fund

1b. 2013 Contributions, Gifts and Bequests

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|-----------------------------|
| Box 1 (Add lines 1a and 1b) |
|-----------------------------|

2011 Minimum Expected Endowment Fund Assets

This total represents the restricted portion of your endowment funds. Endowment fund contributions must not be spent for grants or expenses. Only the earnings generated by the endowment fund itself should be disbursed, leaving the corpus untouched.

PART 2: ENDOWMENT FUND EARNINGS (Interest, Dividends, Realized and Unrealized Gains)

This section reports total endowment fund income.

2a. Interest and Dividend Income

2b. Net Realized Gains (Losses)

2c. Net Unrealized Gains (Losses)

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|---------------------------------|
| Box 2 (Add lines 2a, 2b and 2c) |
|---------------------------------|

Total Endowment Fund Income Available for Grants and Expenses:

PART 3: ENDOWMENT FUND DISBURSEMENTS (Grants and Expenses)

This section reports total actual endowment fund disbursements and expenditures.

3a. Grants

3b. Expenses

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|-----------------------------|
| Box 3 (Add lines 3a and 3b) |
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Total Actual Endowment Fund Disbursements:

PART 4: ACTUAL ENDOWMENT FUND ENDING BALANCE

Beginning balance, plus contributions (Box 1), plus earnings (Box 2), minus grants and expenses (Box 3) = ending endowment fund balance (Box 4).

Actual 2013 Year-end Endowment Fund Balance.

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|-------------------------------|
| Box 4 (Box 1 + Box 2 - Box 3) |
|-------------------------------|

4a. Expected Minimum (from Box 1)

4b. **VARIANCE** (Box 4 minus line 4a). **A negative number here indicates that you may have spent a portion of the endowment funds corpus which could jeopardize your certification for the Michigan tax credit.**