

# Form 1023 Checklist

(Revised June 2006)

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

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**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 2, ARTICLE 6
  - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law PAGE 3, ARTICLE 10
- 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

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

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

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

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

**Part I Identification of Applicant**

<b>1</b> Full name of organization (exactly as it appears in your <b>organizing document</b> )		<b>2</b> c/o Name (if applicable)
START SMALL. THINK BIG., INC.		EAST SIDE HOUSE SETTLEMENT
<b>3</b> <b>Mailing address</b> (Number and street) (see instructions)	Room/Suite	<b>4</b> Employer Identification Number (EIN)
337 ALEXANDER AVENUE		27-1821066
City or town, state or country, and ZIP + 4		<b>5</b> Month the annual accounting period ends (01 - 12)
BRONX, NY 10454-1108		12
<b>6</b> Primary contact (officer, director, trustee, or <b>authorized representative</b> )		<b>b</b> Phone: (212) 909-6722
<b>a</b> Name: JENNIFER DASILVA		<b>c</b> Fax: (optional)
<b>7</b> 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. <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>8</b> 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. <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>9a</b> Organization's website: <b>WWW.STARTSMALLTHINKBIG.ORG</b>		
<b>b</b> Organization's email: (optional)		
<b>10</b> 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. <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>11</b> Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) <b>02 / 02 / 2010</b>		
<b>12</b> Were you formed under the laws of a <b>foreign country</b> ? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span> If "Yes," state the country.		

**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 2, ARTICLE 6**
- 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 3, ARTICLE 10**
- 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)
JENNIFER DASILVA	DIRECTOR; EXECUTIVE DIRECTOR; TREASURER	337 ALEXANDER AVENUE BRONX, NY 10454-1108	\$60,000
THOMAS FITZPATRICK	DIRECTOR	337 ALEXANDER AVENUE BRONX, NY 10454-1108	NONE
MATTHEW LEONARD	DIRECTOR; SECRETARY	337 ALEXANDER AVENUE BRONX, NY 10454-1108	NONE
ELIZABETH LEWIN JOERSS	DIRECTOR	337 ALEXANDER AVENUE BRONX, NY 10454-1108	NONE
KELLY SHIMODA	DIRECTOR	337 ALEXANDER AVENUE BRONX, NY 10454-1108	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			
N/A			
N/A			
N/A			
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)
N/A			
N/A			
N/A			
N/A			
N/A			

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

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship.  Yes  No
  - b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees.  Yes  No
  - c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship.  Yes  No
- 
- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement.  Yes  No
- 
- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy?  Yes  No
  - b** Do you or will you approve compensation arrangements in advance of paying compensation?  Yes  No
  - c** Do you or will you document in writing the date and terms of approved compensation arrangements?  Yes  No

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

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

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

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

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

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

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

**Part VII Your History**

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

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

**Part VIII Your Specific Activities**

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

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

**Part VIII Your Specific Activities (Continued)**

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

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

Attach a description of each fundraising program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**Part VIII Your Specific Activities (Continued)**

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

**Part VIII** Your Specific Activities (Continued)

- |           |  |                                     |   |
|-----------|--|-------------------------------------|---|
| <b>15</b> | Do you have a <b>close connection</b> with any organizations? If "Yes," explain.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>16</b> | Are you applying for exemption as a <b>cooperative hospital service organization</b> under section 501(e)? If "Yes," explain.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>17</b> | Are you applying for exemption as a <b>cooperative service organization of operating educational organizations</b> under section 501(f)? If "Yes," explain.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>18</b> | Are you applying for exemption as a <b>charitable risk pool</b> under section 501(n)? If "Yes," explain.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>19</b> | Do you or will you operate a <b>school</b> ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>20</b> | Is your main function to provide <b>hospital</b> or <b>medical care</b> ? If "Yes," complete Schedule C.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>21</b> | Do you or will you provide <b>low-income housing</b> or housing for the <b>elderly</b> or <b>handicapped</b> ? If "Yes," complete Schedule F.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>22</b> | 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"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |

**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>1/1/10</u> To <u>12/31/10</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 _____ To _____	
<b>Revenues</b>	<b>1</b> Gifts, grants, and contributions received (do not include unusual grants)	\$80,000	\$125,000	\$127,000		\$332,000
	<b>2</b> Membership fees received	\$0	\$0	\$0		\$0
	<b>3</b> Gross investment income	\$0	\$0	\$0		\$0
	<b>4</b> Net unrelated business income	\$0	\$0	\$0		\$0
	<b>5</b> Taxes levied for your benefit	\$0	\$0	\$0		\$0
	<b>6</b> 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
	<b>7</b> Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	\$0	\$0	\$0		\$0
	<b>8</b> Total of lines 1 through 7	\$80,000	\$125,000	\$127,000		\$332,000
	<b>9</b> 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
	<b>10</b> Total of lines 8 and 9	\$80,000	\$125,000	\$127,000		\$0
	<b>11</b> Net gain or loss on sale of capital assets (attach schedule and see instructions)	\$0	\$0	\$0		\$0
	<b>12</b> Unusual grants	\$0	\$0	\$0		\$0
	<b>13</b> Total Revenue Add lines 10 through 12	\$80,000	\$125,000	\$127,000		\$332,000
<b>Expenses</b>	<b>14</b> Fundraising expenses	\$5,000	\$8,500	\$8,500		
	<b>15</b> Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	\$0	\$0	\$0		
	<b>16</b> Disbursements to or for the benefit of members (attach an itemized list)	\$0	\$0	\$0		
	<b>17</b> Compensation of officers, directors, and trustees	\$60,000	\$62,000	\$64,000		
	<b>18</b> Other salaries and wages	\$0	\$40,000	\$42,000		
	<b>19</b> Interest expense	\$0	\$0	\$0		
	<b>20</b> Occupancy (rent, utilities, etc.)	\$0	\$0	\$0		
	<b>21</b> Depreciation and depletion	\$0	\$0	\$0		
	<b>22</b> Professional fees	\$3,000	\$3,100	\$3,100		
	<b>23</b> Any expense not otherwise classified, such as program services (attach itemized list)	\$10,950	\$8,200	\$8,300		
	<b>24</b> Total Expenses Add lines 14 through 23	\$78,950	\$121,800	\$125,900		

**Part IX Financial Data (Continued)**

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

Year End: **12/10**

(Whole dollars)

<b>Assets</b>			
<b>1</b>	Cash . . . . .	<b>1</b>	\$0
<b>2</b>	Accounts receivable, net . . . . .	<b>2</b>	\$0
<b>3</b>	Inventories . . . . .	<b>3</b>	\$0
<b>4</b>	Bonds and notes receivable (attach an itemized list) . . . . .	<b>4</b>	\$0
<b>5</b>	Corporate stocks (attach an itemized list) . . . . .	<b>5</b>	\$0
<b>6</b>	Loans receivable (attach an itemized list) . . . . .	<b>6</b>	\$0
<b>7</b>	Other investments (attach an itemized list) . . . . .	<b>7</b>	\$0
<b>8</b>	Depreciable and depletable assets (attach an itemized list) . . . . .	<b>8</b>	\$0
<b>9</b>	Land . . . . .	<b>9</b>	\$0
<b>10</b>	Other assets (attach an itemized list) . . . . .	<b>10</b>	\$0
<b>11</b>	<b>Total Assets (add lines 1 through 10)</b> . . . . .	<b>11</b>	<b>\$0</b>
<b>Liabilities</b>			
<b>12</b>	Accounts payable . . . . .	<b>12</b>	\$0
<b>13</b>	Contributions, gifts, grants, etc. payable . . . . .	<b>13</b>	\$0
<b>14</b>	Mortgages and notes payable (attach an itemized list) . . . . .	<b>14</b>	\$0
<b>15</b>	Other liabilities (attach an itemized list) . . . . .	<b>15</b>	\$0
<b>16</b>	<b>Total Liabilities (add lines 12 through 15)</b> . . . . .	<b>16</b>	<b>\$0</b>
<b>Fund Balances or Net Assets</b>			
<b>17</b>	<b>Total fund balances or net assets</b> . . . . .	<b>17</b>	<b>\$0</b>
<b>18</b>	<b>Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)</b> . . . . .	<b>18</b>	<b>\$0</b>
<b>19</b>	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](http://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**

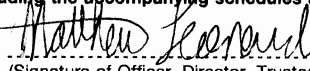
**Part XI User Fee Information**

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)

**MATTHEW LEONARD**  
 (Type or print name of signer)

**March 9, 2010**  
 (Date)

**SECRETARY**  
 (Type or print title or authority of signer)

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

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

**START SMALL. THINK BIG., INC. / EIN 27-1821066**

**Part IV - Narrative Description of Activities**

Start Small. Think Big., Inc. (“Start Small”) will offer a free ten-hour financial planning course, followed by four hours of individual financial counseling, to help its clients take control of their financial future and make more informed financial decisions. These services will be offered throughout the year in the Bronx, New York. Course graduates will be eligible to join Start Small-affiliated credit unions, through which they will have access to free checking and savings accounts and other reasonably-priced financial services. Start Small will pre-screen its clients for loans with its credit union partners, and will work closely with its clients and those partners to process the loan applications. By providing coordinated access to a basic bank account and reasonably priced financial services, Start Small will help its clients to reduce their debt, stabilize their finances and build sustainable financial independence. Approximately 40% of program time is allocated to these activities.

Start Small will also work with its credit union partners to offer tax and benefits counseling designed to promote tax credits and accelerate asset building. In addition, Start Small will offer financial incentives designed to encourage its clients to build savings. Approximately 10% of program time will be allocated to these activities.

Start Small has also partnered with leading law firms, top law schools, and highly respected nonprofit legal organizations to build a broad-based volunteer legal network, thus ensuring its clients increased access to and availability of legal assistance. To this end, Start Small will coordinate four legal programs: a small business legal clinic, which will provide legal and technical assistance to low-income microentrepreneurs looking to start or expand a small business; a consumer debt clinic, which will provide community education and direct representation to low-income consumers who are having problems with creditors; a low-income taxpayer clinic, which will provide advice to clients on tax disputes and educate the community about tax compliance and the Earned Income Tax Credit; and an immigration clinic, which will provide community education and direct immigration counseling and assistance to low-income foreign-born New Yorkers. These clinics will be offered on a monthly basis, throughout the year, in the Bronx, New York. Approximately 50% of program time will be allocated to these activities.

Start Small’s activities will take place in the Bronx, New York and will be funded by government grants and by donations from individuals, foundations and corporations.

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

**START SMALL. THINK BIG., INC. / EIN 27-1821066**

**Part VI - Members and Other Individuals and Organizations That Receive Benefits**

**Line 1a.** Please see Part IV (Narrative Description of Your Activities) for a description of the programs where Start Small. Think Big., Inc. provides services to individuals.



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

**START SMALL. THINK BIG., INC. / EIN 27-1821066**

**Part VIII - Your Specific Activities**

**Line 4a**

Start Small's employees and volunteers will raise funds to support programming via direct mail solicitations (personal letters), email solicitations (regular newsletter updates), personal solicitations (in-person meetings), and phone solicitations. Start Small will only engage in targeted fundraising campaigns (*i.e.*, it will only reach out to those individuals and corporations with whom Start Small has a personal relationship or who have signed up for email updates from Start Small).

Start Small will also raise funds to support programming via foundation grant solicitations and government grant solicitations.

Finally, Start Small. Think Big., Inc. will accept donations on its website ([www.startsmallthinkbig.org/donate](http://www.startsmallthinkbig.org/donate)).

**Line 4d**

Start Small conducts fundraising in New York state, and focuses its fundraising efforts on New York County and Kings County. Start Small fundraises only for itself. No other organization fundraises for Start Small.

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

**START SMALL. THINK BIG., INC. / EIN 27-1821066**

**Part IX - Financial Data**

**Line A.23**

<b>Expense</b>	<b>1/1/10 to 12/31/10</b>	<b>1/1/11 to 12/31/11</b>	<b>1/1/12 to 12/31/12</b>	<b>Total</b>
Office Supplies	\$300	\$300	\$300	\$900
Computers, Software	\$500	\$250	\$250	\$1,000
Membership Dues, Subscriptions	\$100	\$100	\$100	\$300
Marketing, Advertising	\$600	\$650	\$700	\$1,950
Postage	\$150	\$200	\$250	\$600
Website	\$2,300	\$200	\$200	\$4,500
Filing Fees, Registrations	\$1,000	\$500	\$500	\$2,000
Stipends	\$1,000	\$1,000	\$1,000	\$3,000
<u>Matched Savings Program</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$15,000</u>
<b>Total</b>	<b>\$10,950</b>	<b>\$8,200</b>	<b>\$8,300</b>	<b>\$29,250</b>

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CERTIFICATE OF INCORPORATION  
OF  
START SMALL. THINK BIG., INC.  
UNDER SECTION 402 OF THE  
NOT-FOR-PROFIT CORPORATION LAW

Filed By: Matthew Leonard  
Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022

<sup>1-6</sup>  
STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED FEB 02 2010

TAX \$ \_\_\_\_\_

BY: OSV

Bronx

1 00202000 410

CERTIFICATE OF INCORPORATION

OF

START SMALL. THINK BIG., INC.

UNDER SECTION 402 OF THE  
NOT-FOR-PROFIT CORPORATION LAW

The undersigned, a natural person of the age of eighteen or over, desiring to form a corporation pursuant to the provisions of the Not-for-Profit Corporation Law, does hereby certify:

1. The name of the corporation is Start Small. Think Big., Inc. (the "Corporation").
2. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law and shall be a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.
3. The Corporation is formed for the following charitable or educational purposes:
  - (a) to help low-income residents of the South Bronx access affordable financial services provided by mainstream financial institutions;
  - (b) to provide financial and business education to low-income residents of the South Bronx;
  - (c) to provide tax and benefits counseling to low-income residents of the South Bronx;
  - (d) to help low-income residents of the South Bronx stabilize their finances, reduce their debt, accumulate savings, start or expand a small business, and take control of their financial future by making more informed decisions; and
  - (e) to conduct any other activities and to perform any and all acts which may be necessary, useful, suitable or proper for the furtherance, accomplishment or attainment of any of the activities described in clauses (a) through (d) hereof.
4. In furtherance of the foregoing purposes, the Corporation shall have all the powers enumerated in Section 202 of the Not-for-Profit Corporation Law and such other powers as are now or hereafter permitted by law for a corporation organized for the foregoing purposes, including, without limitation, the power to (a) solicit grants and contributions for any corporate purpose, (b) maintain a fund or funds of real and/or personal property in furtherance of such purposes, and (c) organize one or more partially- or wholly-owned organizations.

5. The Corporation shall not, directly or indirectly, engage in any of the activities mentioned in subparagraphs (a) through (w) of Section 404 of the Not-for-Profit Corporation Law unless it has complied with the requirements set forth therein.

6. Notwithstanding any other provision of these articles, the Corporation is organized exclusively for charitable purposes, and intends at all times to qualify and remain qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended (the "Code"), and in connection therewith:

(a) the Corporation is not formed for and shall not be conducted nor operated for pecuniary profit or financial gain, and no part of its assets, income or profit shall be distributed to or inure to the benefit of any director, officer or other private individual or individuals, provided that nothing herein shall prevent the Corporation from paying reasonable compensation to any person for services rendered to or for the Corporation in furtherance of one or more of its purposes;

(b) no substantial part of the activities of the Corporation shall be devoted to the carrying on of propaganda or otherwise attempting to influence legislation, except to the extent permitted by the Code, whether pursuant to an election under Section 501(h) or otherwise, and no part of the activities of the Corporation shall be devoted to participating or intervening in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office, and the Corporation will not engage in any other activities that would cause it to be characterized as an "action organization" as defined in Treasury Regulation § 1.501(c)(3)-1, promulgated under the Code; and

(c) the Corporation shall not engage in or include among its purposes any activities not permitted to be carried on by a corporation exempt from federal income taxation under Section 501(c)(3) of the Code.

7. The office of the Corporation within the State of New York shall be located in Bronx County.

8. The directors of the Corporation shall consist of such number of persons, but not less than three, as may be set forth in the By-Laws of the Corporation. The names and addresses of the initial directors, each of whom is of full age, are as follows:

<u>Name</u>	<u>Address</u>
Jennifer DaSilva	94 Hicks Street, Brooklyn, NY 11201
Thomas Fitzpatrick	322 West 72nd Street, New York, NY 10023
Matthew Leonard	139 Clinton Street, Brooklyn, NY 11201
Elizabeth Lewin Joerss	311 Fenimore Road, Mamaroneck, NY 10543
Kelly Shimoda	16 Fowler Street, Beacon, NY 12508

9. The Secretary of State of the State of New York is hereby designated as agent of the Corporation upon whom process against the Corporation may be served. The post office address to which the Secretary shall mail a copy of any process against the Corporation served upon him is:

Jennifer DaSilva  
Start Small. Think Big., Inc.  
c/o East Side House Settlement  
337 Alexander Avenue  
Bronx, NY 10454

10. In the event of dissolution of the Corporation, all of the assets and property of the Corporation remaining after the proper payment of expenses and the satisfaction of all liabilities shall be distributed, in accordance with Article 10 of the Not-for-Profit Corporation Law, as it may be amended, to further the not-for-profit purposes of the Corporation or to such charitable or educational organizations as shall qualify under Section 501(c)(3) of the Code.

11. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, provided that no amendment, alteration, change or repeal shall be effected which will result in the denial of tax-exempt status to the Corporation under Section 501(c)(3) of the Code and the regulations thereunder.

12. The name and address of the sole incorporator is:

Matthew Leonard  
Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022

IN WITNESS WHEREOF, this certificate has been signed and the statements made herein affirmed as true under the penalties of perjury this 29th day of January, 2010.



Matthew Leonard  
Sole Incorporator



**START SMALL. THINK BIG., INC.**

Unanimous Written Consent in Lieu of  
Meeting of the Board of Directors

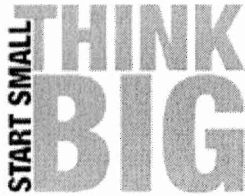
The undersigned, being all the members of the Board of Directors of Start Small. Think Big., Inc., a New York not-for-profit corporation (the “Corporation”), do hereby consent, pursuant to Section 405(b) of the New York Not-for-Profit Corporation Law, to the adoption of the following resolutions in connection with the organization of the Corporation, and direct that an executed copy of this unanimous written consent (this “Consent”) be inserted in the minute book of the Corporation. This Consent may be executed in several counterparts, which, when taken together, shall constitute one instrument. This Consent is dated as of February 5, 2010, and, when executed by each of the Directors of the Corporation, shall be deemed effective on and as of such date.

RESOLVED, that the Certificate of Incorporation of the Corporation, as filed with the Department of State of the State of New York on February 2, 2010, be, and hereby is, ratified, approved and confirmed, and shall be inserted in the minute book of the Corporation along with the receipt therefor from the Department of State;

RESOLVED, that the actions taken by Matthew Leonard, the sole incorporator of the Corporation, in the organization of the Corporation and all matters related thereto, be, and hereby are, in all respects ratified, approved and confirmed;

RESOLVED, that the form of By-Laws attached hereto as Exhibit A be, and hereby is, approved and adopted as the By-Laws of the Corporation and shall be inserted in the minute book of the Corporation immediately following the Certificate of Incorporation and receipt therefor;

RESOLVED, that the form of Conflict of Interest Policy attached hereto as Exhibit B be, and hereby is, approved and adopted as the Conflict of Interest Policy of the Corporation, and shall be inserted in the minute book of the Corporation immediately following the By-Laws;



RESOLVED, that the following persons be, and each of them hereby is, elected to hold the office or offices of the Corporation set forth opposite their respective names, to serve until the close of the election of Officers at the first annual meeting of the Board of Directors and until their respective successors shall have been elected and shall have qualified, or as otherwise provided in the By-Laws:

<u>Name</u>	<u>Title</u>
Jennifer DaSilva	Executive Director
Matthew Leonard	Secretary
Jennifer DaSilva	Treasurer

RESOLVED, that the Officers of the Corporation be, and each of them hereby is, authorized to file with the Internal Revenue Service, in the name and on behalf of the Corporation, an Application for Recognition of Exemption on Form 1023, for a ruling that the Corporation is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

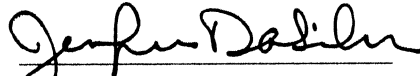
RESOLVED, that the Officers of the Corporation be, and each of them hereby is, authorized to file, in the name and on behalf of the Corporation, applications for state and local tax exemptions with the appropriate governmental authorities of the State and City of New York; and

RESOLVED, that the Officers of the Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to execute and deliver all such further agreements, powers of attorney and other instruments and all such certificates and other documents, and to take all such other action, as such Officers may deem necessary or appropriate to carry out fully the intent and purposes of the foregoing resolutions.




START SMALL

IN WITNESS WHEREOF, the undersigned have duly executed this Consent as of the date first above written.

  
\_\_\_\_\_  
Jennifer DaSilva

\_\_\_\_\_  
Thomas Fitzpatrick

  
\_\_\_\_\_  
Matthew Leonard

\_\_\_\_\_  
Elizabeth Lewin Joerss

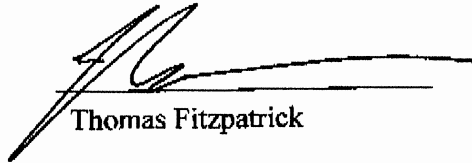
\_\_\_\_\_  
Kelly Shimoda

[Signature Page to Unanimous Written Consent]

**START SMALL  
THINK  
BIG**

IN WITNESS WHEREOF, the undersigned have duly executed this Consent as of the date first above written.

\_\_\_\_\_  
Jennifer DaSilva

  
\_\_\_\_\_  
Thomas Fitzpatrick

\_\_\_\_\_  
Matthew Leonard

\_\_\_\_\_  
Elizabeth Lewin Joerss

\_\_\_\_\_  
Kelly Shimoda

[Signature Page to Unanimous Written Consent]

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START SMALL

IN WITNESS WHEREOF, the undersigned have duly executed this Consent as of the date first above written.

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Jennifer DaSilva

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Thomas Fitzpatrick

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Matthew Leonard

  
Elizabeth Lewin Joerss

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Kelly Shimoda



IN WITNESS WHEREOF, the undersigned have duly executed this Consent as of the date first above written.

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Jennifer DaSilva

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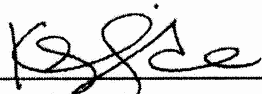
Thomas Fitzpatrick

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Matthew Leonard

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Elizabeth Lewin Joerss



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Kelly Shimoda

**START SMALL**  
**THINK**  
**BIG**

## **EXHIBIT A**

FORM OF BY-LAWS

BY-LAWS  
OF  
START SMALL. THINK BIG., INC.

ARTICLE I

Name

This corporation is and shall be known as Start Small. Think Big., Inc. (the “Corporation”).

ARTICLE II

Members

The Corporation shall have no members.

ARTICLE III

Board of Directors

1. Powers and Number. The Corporation shall be managed by the Board of Directors (the “Board”). The number of Directors constituting the entire Board shall be determined by a vote of the majority of the entire Board from time to time and shall be at least three but no more than seven.

2. Election and Term of Office. The initial Directors shall be the persons named in the Certificate of Incorporation, and they shall serve until the first annual meeting of the Board. At each annual meeting, the Board, by majority vote, shall elect Directors to hold office for a term of one year, and each such Director shall continue in office for such term and until such Director’s successor shall have been elected and shall have qualified, or until such Director’s death, resignation or removal.

3. Newly Created Directorships and Vacancies. Newly created Directorships and vacancies among the Directors for any reason may be filled by a majority vote of the Directors, and the Directors so elected shall serve until the next annual meeting of the Board.

4. Resignations. Any Director may resign from office at any time by delivering a resignation in writing to the Executive Director or Secretary, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

5. Removal. Any Director may be removed at any time with cause by a majority vote of the entire Board, such removal to take effect immediately upon such vote.

6. Meetings. Meetings of the Board may be held at any place within or without the State of New York as the Board may from time to time fix, or as shall be specified in the notice or waivers of notice thereof.

7. Annual Meetings. The annual meeting of the Board for the election of Directors and Officers of the Corporation and for the transaction of such other business as may properly come before the meeting shall be held at such time and place as may be specified by the Board.

8. Other Regular Meetings. With respect to regular meetings of the Board other than the annual meeting, the Board shall meet at times and places to be specified by the Board.

9. Special Meetings. Special meetings of the Board may be called at any time by the Executive Director or upon written demand of not less than two-fifths of the entire Board.

10. Notice of Meetings. Notice of the time and place of each meeting of the Board shall be sent by electronic mail or other form of electronic communication or given personally or by telephone no less than forty-eight hours before the time at which such meeting is to be held. Notice of a meeting of the Board need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

11. Chairperson. The Executive Director shall serve as the Chairperson of the Board, and shall preside over all meetings of the Board. If the Executive Director is absent from a meeting of the Board then the Secretary shall serve as the Chairperson for such meeting.

12. Quorum and Voting. Unless a greater proportion is required by law, one-half of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business. Except as otherwise provided by law or by these By-Laws, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board.

13. Presence at Meeting by Telephone. Any one or more members of the Board or any committee thereof may participate in any meeting of the Board or of such committee by means of a conference telephone or similar equipment allowing all persons participating in such meeting to hear one another at the same time. Participation by such means shall constitute presence in person at the meeting.

14. Action by Written Consent. Except as at the time otherwise required or permitted by law, any action required or permitted to be taken at any meeting of the Board or committee thereof may be taken without a meeting if all members of the Board or of such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and written consents thereto shall be filed in the minute book of the Corporation.

15. Reimbursement of Expenses. Any Director is authorized to be reimbursed by the Corporation for such Director's actual expenses incurred in attending meetings of the Board or otherwise in the execution of such office.

## ARTICLE IV

### Officers, Employees and Agents

1. Number and Qualifications. The Officers of the Corporation shall be an Executive Director, a Secretary, a Treasurer and such other Officers, if any, as the Board may from time to time elect. The Executive Director shall be chosen from among the Directors. The other Officers may, but need not, be Directors. One person may hold two or more offices, except the offices of Executive Director and Secretary.

2. Election and Term of Office. The initial Officers shall be elected by the Board at the organizational meeting of the Board, and they shall serve until the first annual meeting of the Board. At each annual meeting, the Board, by majority vote, shall elect Officers to hold office for a term of one year, and each such Officer shall continue in office for such term and until such Officer's successor shall have been elected and shall have qualified, or until such Officer's death, resignation or removal.

3. Employees and Other Agents. The Board may appoint from time to time such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation as the Board may from time to time determine. To the full extent allowed by law and the Certificate of Incorporation, the Board may delegate to any employee or agent any powers possessed by the Board.

4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the entire Board.

5. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

6. Executive Director: Powers and Duties. The Executive Director shall have general supervision of the affairs of the Corporation, and shall keep the Board fully informed about the activities of the Corporation. The Executive Director shall serve as the Chairperson of the Board. The Executive Director has the power to sign alone, unless the Board shall specifically require an additional signature, in the name and on behalf of the Corporation, all contracts authorized either generally or specifically by the Board. The Executive Director shall perform all duties customarily incident to the office of president of a not-for-profit corporation, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

7. Secretary: Powers and Duties. The Secretary shall act as secretary of all meetings of the Board. The Secretary shall be responsible for the giving and serving of all notices of the Corporation and shall perform all duties customarily incident to the office of secretary of a not-for-profit corporation, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

8. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to



be deposited all moneys and other valuable effects of the Corporation, in the name and to the credit of the Corporation, in such banks or depositories as the Board may designate. At the annual meeting of the Board and whenever else required by the Board, the Treasurer shall render a statement of the Corporation's accounts. The Treasurer shall at all reasonable times exhibit the Corporation's books and accounts to any Officer or Director and shall perform all duties customarily incident to the office of treasurer of a not-for-profit corporation, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

## ARTICLE V

### Committees

1. Committees of the Board. The Board may, by resolution adopted by a majority of the entire Board, establish and appoint an executive and other standing committees. The Executive Director shall appoint a chairperson of each committee. Each committee so appointed shall consist of three or more Directors and, to the extent provided in the resolution establishing it, shall have all the authority of the Board except as to the following matters:

- a. the filling of vacancies on the Board or on any committee;
- b. the amendment or repeal of the By-Laws or the adoption of new By-Laws;
- c. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable; and
- d. the fixing of compensation of the Directors for serving on the Board or any committee.

At any meeting of such standing committee, the presence of a majority of its members then in office shall constitute a quorum for the transaction of business. Special committees may be appointed by the Executive Director with the consent of the Board and shall have only the powers specifically delegated to them by the Board, provided that no such committee shall have any powers not authorized for standing committees pursuant to this Section 1 of this Article V.

2. Committees of the Corporation. The Board may create committees other than standing or special committees to be committees of the Corporation. Any such committees created by the Board shall be appointed by the Executive Director with the consent of the Board. Such committees may consist of Directors and others.

## ARTICLE VI

### Contracts, Checks, Bank Accounts and Investments

1. Checks, Notes and Contracts. The Board is authorized to select such depositories as it shall deem proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and other documents.

2. Investments. The funds of the Corporation may be retained in whole or in part in cash or may be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board may deem desirable.

## ARTICLE VII

### Office and Books

1. Office. The office of the Corporation shall be located at such place within or without the State of New York as the Board may from time to time determine.

2. Books. There shall be kept at the office of the Corporation or at the principal place of business of the Secretary of the Corporation correct books of account of the activities and transactions of the Corporation including a minute book, which shall contain a copy of the charter, a copy of these By-Laws, and all minutes of meetings and written consents of the Board.

## ARTICLE VIII

### Fiscal Year

The fiscal year of the Corporation shall be the calendar year.

## ARTICLE IX

### Indemnification

The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact that he or she is or was a Director, Officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, and shall advance the expenses of such person in defending such an action or proceeding, except to the extent specifically prohibited by law. The Corporation may make provision with respect to such indemnification of or advancement of expenses to Officers and Directors by agreement or by resolution of the Board of Directors.

## ARTICLE X

### Amendments

These By-Laws may be amended by majority vote of the Board at any meeting of the Board, provided that notice of the proposed amendment has been included in the notice of the meeting.



## **EXHIBIT B**

FORM OF CONFLICT OF INTEREST POLICY

CONFLICT OF INTEREST POLICY  
OF  
START SMALL. THINK BIG., INC.

ARTICLE I

Purpose

The purpose of this Conflict of Interest Policy is to protect the interest of Start Small. Think Big., Inc., a New York not-for-profit corporation (the “Corporation”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II

Definitions

1. Interested Person. Any Director, Officer, or member of a committee of the Board of Directors, who has a direct or indirect financial interest (as defined below), is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors (the “Board”) or appropriate committee decides that a conflict of interest exists.

## ARTICLE III

### Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors or committee members considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, such person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, such person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors or committee members whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy.

- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has

failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### ARTICLE IV

##### Records of Proceedings

The minutes of the Board and all committees of the Board shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### ARTICLE V

##### Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### ARTICLE VI

##### Annual Statements

Each Director, Officer and member of a committee of the Board shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;

- c. Has agreed to comply with the policy; and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### ARTICLE VII

##### Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### ARTICLE VIII

##### Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.