

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

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

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

Part I Identification of Applicant

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

Part II Organizational Structure

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

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**

- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**

- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**

- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**

- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

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

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): _____

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

Part IV Narrative Description of Your Activities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**

b Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**

c Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

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

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
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- 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.
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- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, or 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
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- 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
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- 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.
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- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

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

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

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

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

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

Part VII Your History

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

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

Part VIII Your Specific Activities

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

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

Part VIII Your Specific Activities (Continued)

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

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

Attach a description of each fundraising program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country or countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
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- 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)*

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

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

Part IX Financial Data

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

A. Statement of Revenues and Expenses

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

Part IX Financial Data (Continued)

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

Year End:

(Whole dollars)

Assets		1	2	3	4	5	6	7	8	9	10	11	
1	Cash												
2	Accounts receivable, net												
3	Inventories												
4	Bonds and notes receivable (attach an itemized list)												
5	Corporate stocks (attach an itemized list)												
6	Loans receivable (attach an itemized list)												
7	Other investments (attach an itemized list)												
8	Depreciable and depletable assets (attach an itemized list)												
9	Land												
10	Other assets (attach an itemized list)												
11	Total Assets (add lines 1 through 10)												
Liabilities		12	13	14	15	16							
12	Accounts payable												
13	Contributions, gifts, grants, etc. payable												
14	Mortgages and notes payable (attach an itemized list)												
15	Other liabilities (attach an itemized list)												
16	Total Liabilities (add lines 12 through 15)												
Fund Balances or Net Assets		17	18										
17	Total fund balances or net assets												
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)												
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.											<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part X Public Charity Status

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

- 1a** Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b** As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2** Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3** Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4** Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5** If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
- The organization is not a private foundation because it is:
- a** 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b** 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
 - c** 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d** 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

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

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

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

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

For Organization

.....
 (Signature of Officer, Director, Trustee, or other authorized official)

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

.....
 (Date)

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

For IRS Use Only

.....
 IRS Director, Exempt Organizations

.....
 (Date)

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

(i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

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

Part XI User Fee Information

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

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

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here



.....
(Signature of Officer, Director, Trustee, or other authorized official)

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

.....
(Date)

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

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

Schedule A. Churches

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

Schedule B. Schools, Colleges, and Universities

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

Section I Operational Information

- 1a** Do you normally have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on? If "No," do not complete the remainder of Schedule B. Yes No
- b** Is the primary function of your school the presentation of formal instruction? If "Yes," describe your school in terms of whether it is an elementary, secondary, college, technical, or other type of school. If "No," do not complete the remainder of Schedule B. Yes No
- 2a** Are you a public school because you are operated by a state or subdivision of a state? If "Yes," explain how you are operated by a state or subdivision of a state. Do not complete the remainder of Schedule B. Yes No
- b** Are you a public school because you are operated wholly or predominantly from government funds or property? If "Yes," explain how you are operated wholly or predominantly from government funds or property. Submit a copy of your funding agreement regarding government funding. Do not complete the remainder of Schedule B. Yes No
- 3** In what public school district, county, and state are you located?
- 4** Were you formed or substantially expanded at the time of public school desegregation in the above school district or county? Yes No
- 5** Has a state or federal administrative agency or judicial body ever determined that you are racially discriminatory? If "Yes," explain. Yes No
- 6** Has your right to receive financial aid or assistance from a governmental agency ever been revoked or suspended? If "Yes," explain. Yes No
- 7** Do you or will you contract with another organization to develop, build, market, or finance your facilities? If "Yes," explain how that entity is selected, explain how the terms of any contracts or other agreements were or will be negotiated at arm's length, and explain how you determine that you will pay no more than fair market value for services. Yes No

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

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

Note. Answer "Yes" if you manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.**Section II Establishment of Racially Nondiscriminatory Policy**Information required by **Revenue Procedure 75-50.**

- 1** Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws, or by resolution of your governing body? If "Yes," state where the policy can be found or supply a copy of the policy. If "No," you must adopt a nondiscriminatory policy as to students before submitting this application. See Publication 557. Yes No
- 2** Do your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement of your racially nondiscriminatory policy? Yes No
- a** If "Yes," attach a representative sample of each document.
- b** If "No," by checking the box to the right you agree that all future printed materials, including website content, will contain the required nondiscriminatory policy statement.
- 3** Have you published a notice of your nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community? (See the instructions for specific requirements.) If "No," explain. Yes No
- 4** Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to admissions; use of facilities or exercise of student privileges; faculty or administrative staff; or scholarship or loan programs? If "Yes," for any of the above, explain fully. Yes No

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

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

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

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

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

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

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

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

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

Schedule C. Hospitals and Medical Research Organizations

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

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

Section I Hospitals

- 1a** Are all the doctors in the community eligible for staff privileges? If "No," give the reasons why and explain how the medical staff is selected. **Yes** **No**
- 2a** Do you or will you provide medical services to all individuals in your community who can pay for themselves or have private health insurance? If "No," explain. **Yes** **No**

b Do you or will you provide medical services to all individuals in your community who participate in Medicare? If "No," explain. **Yes** **No**

c Do you or will you provide medical services to all individuals in your community who participate in Medicaid? If "No," explain. **Yes** **No**
- 3a** Do you or will you require persons covered by Medicare or Medicaid to pay a deposit before receiving services? If "Yes," explain. **Yes** **No**

b Does the same deposit requirement, if any, apply to all other patients? If "No," explain. **Yes** **No**
- 4a** Do you or will you maintain a full-time emergency room? If "No," explain why you do not maintain a full-time emergency room. Also, describe any emergency services that you provide. **Yes** **No**

b Do you have a policy on providing emergency services to persons without apparent means to pay? If "Yes," provide a copy of the policy. **Yes** **No**

c Do you have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? If "Yes," describe the arrangements, including whether they are written or oral agreements. If written, submit copies of all such agreements. **Yes** **No**
- 5a** Do you provide for a portion of your services and facilities to be used for charity patients? If "Yes," answer 5b through 5e. **Yes** **No**

b Explain your policy regarding charity cases, including how you distinguish between charity care and bad debts. Submit a copy of your written policy.

c Provide data on your past experience in admitting charity patients, including amounts you expend for treating charity care patients and types of services you provide to charity care patients.

d Describe any arrangements you have with federal, state, or local governments or government agencies for paying for the cost of treating charity care patients. Submit copies of any written agreements.

e Do you provide services on a sliding fee schedule depending on financial ability to pay? If "Yes," submit your sliding fee schedule. **Yes** **No**
- 6a** Do you or will you carry on a formal program of medical training or medical research? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliations with other hospitals or medical care providers with which you carry on the medical training or research programs. **Yes** **No**

b Do you or will you carry on a formal program of community education? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliation with other hospitals or medical care providers with which you offer community education programs. **Yes** **No**
- 7** Do you or will you provide office space to physicians carrying on their own medical practices? If "Yes," describe the criteria for who may use the space, explain the means used to determine that you are paid at least fair market value, and submit representative lease agreements. **Yes** **No**
- 8** Is your board of directors comprised of a majority of individuals who are representative of the community you serve? Include a list of each board member's name and business, financial, or professional relationship with the hospital. Also, identify each board member who is representative of the community and describe how that individual is a community representative. **Yes** **No**
- 9** Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all agreements. **Yes** **No**

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

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

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

Section II Medical Research Organizations

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

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

Section I Identifying Information About the Supported Organization(s)

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

Name	Address	EIN
		-
		-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section III Organizational Test

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

Section IV Disqualified Person Test

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

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

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

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

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

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

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

Type of Revenue	Projected revenue for 2 years following current tax year		
	(a) From To	(b) From To	(c) Total
1 Gifts, grants, and contributions received (do not include unusual grants)			
2 Membership fees received			
3 Gross investment income			
4 Net unrelated business income			
5 Taxes levied for your benefit			
6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)			
7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)			
8 Total of lines 1 through 7			
9 Gross receipts from admissions, merchandise sold, or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)			
10 Total of lines 8 and 9			
11 Net gain or loss on sale of capital assets (attach an itemized list)			
12 Unusual grants			
13 Total revenue. Add lines 10 through 12			

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

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

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

1 Describe the type of housing you provide.

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

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

4a Provide a description of each facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section III Low-Income Housing

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

Schedule G. Successors to Other Organizations

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

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

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

b Provide the tax status of the predecessor organization. **Yes** **No**

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

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

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

3 Provide the name, last address, and EIN of the predecessor organization and describe its activities.
Name: _____ **EIN:** -
Address: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form 1023 Checklist

(Revised June 2006)

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

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

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

- Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- Employer Identification Number (EIN)
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | |
|------------|----------------|------------|----------------|
| Schedule A | Yes ___ No ___ | Schedule E | Yes ___ No ___ |
| Schedule B | Yes ___ No ___ | Schedule F | Yes ___ No ___ |
| Schedule C | Yes ___ No ___ | Schedule G | Yes ___ No ___ |
| Schedule D | Yes ___ No ___ | Schedule H | Yes ___ No ___ |

- 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) _____
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law _____
- 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

Sustainability Strategic Plan

- Template -

Mission:	
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Vision:	
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Core Value(s):	

History:

Environmental Analysis:	Internal Environment:	
	Strengths:	Weaknesses:
	External Environment:	
	Opportunities:	Threats:

Plan Goal(s):	
----------------------	--

Long Term Objective(s):	

Short Term Objectives(s):	

Operational Strategies:	Objective 1:	
	Strategy 1.1:	
	Tactics:	Measurements:
	Step by Step Procedures:	
	Strategy 1.2:	
	Tactics:	Measurements:
	Step by Step Procedures:	
	Strategy 1.3:	
	Tactics:	Measurements:
	Step by Step Procedures:	

Objective 1:	
Strategy 1.4:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 1.5:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 1.6:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 2:	
Strategy 2.1:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 2.2:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 2.3:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 2:	
Strategy 2.4:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 2.5:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 2.6:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 3:	
Strategy 3.1:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 3.2:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 3.3:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 3:	
Strategy 3.4:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 3.5:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 3.6:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 4:	
Strategy 4.1:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 4.2:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 4.3:	
Tactics:	Measurements:
Step by Step Procedures:	

Objective 4:	
Strategy 4.4:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 4.5:	
Tactics:	Measurements:
Step by Step Procedures:	
Strategy 4.6:	
Tactics:	Measurements:
Step by Step Procedures:	

Recommendations and Next Steps:	
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**Case
Study(s):**

<p>Case Study(s):</p>	
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Pa'a Taotao Tano'

STRATEGIC PLAN

2012-2017





Our Mission

Mission:

Pa'a Taotao Tano' (way of life of the people of the land) is a non-profit cultural organization, incorporated in November 2001. Pa'a's mission is to preserve, perpetuate, and promote the cultural traditions of the indigenous people of Guam and the Marianna Islands.

Our Vision

Vision:

Our vision is to foster cultural research, education and expression.

Our Values

Values:

Our core values are:

Culture - We value Pa`a Taotao Tano` as the Way of Life of the People of the Land

Commitment - We value the human ability for passion, dedication and responsibility

People - We value I Taotao Tano` yan i Taotao Lagu (People of the Land and People of the Sea) as our greatest resources

Respect - We value the ability to recognize and honor the dignity of all people

Vision - We value the ability to reflect on the past and present and having the foresight to effect creative changes





Our History

History:

In 1998, the late Speaker Carlos P. Taitano and Master of Chamorro Dance Frank Rabon gathered the Guam Chamorro dance leaders in an historic meeting in Hagatna. At this meeting, the Pa`a Taotao Tano` (Pa`a) leadership was elected and members voted to collectively push for recognition, incorporation and federal grant funding to assure that Chamorro cultural arts traditions of dance, chant and weaving would be passed to other generations.

The first expression of unity was demonstrated at the Ceremonies of the 1999 South Pacific Games hosted by Guam, where 1000 dancers and singers from schools and Chamorro dance groups were recognized, islandwide. Pa`a's membership includes over 600 cultural practitioners and nearly 15 groups from villages in northern, central and southern Guam, the CNMI (Saipan, Tinian and Rota) and the U.S. Many visual artists are also members, representing various art disciplines.

Pa`a has implemented many programs and activities to advance its mission through grants, fundraisers and sponsorship that target three aims:

1. To reestablish lost Chamorro traditions, songs, dance, language, and other Chamorro culture.
2. To introduce the Chamorro culture into the community to reflect the proper image of the people.
3. To build a cultural center to house the living treasures of the Chamorro people.

Pa`a's programming includes three, multi-year federal grants from the Administration for Native Americans (ANA). The first grant established Pa`a's administrative office and funded four annual dance festivals. The second grant funded the "Northern Cultural Performing Arts Project" which enabled Pa`a, with the Guam Public School System, to place cultural instructors in northern schools and to establish cultural community programs in partnership with the Dededo and Yigo Mayors' offices. The third has enabled Pa`a to train and certify arts instructors in becoming sanctioned Cultural Instructors by a Master of Chamorro Traditions.

Internal Analysis

This is a realistic analysis of Pa`a's internal resources. The analysis includes consideration for projects and programming, fundraising and profitability, quality and craftsmanship, member skill and expertise, volunteerism, adaptability, branding, reputation, processes, infrastructure, and so on. The following core strengths and weaknesses are resource-based and focus on the present environment of the organization.

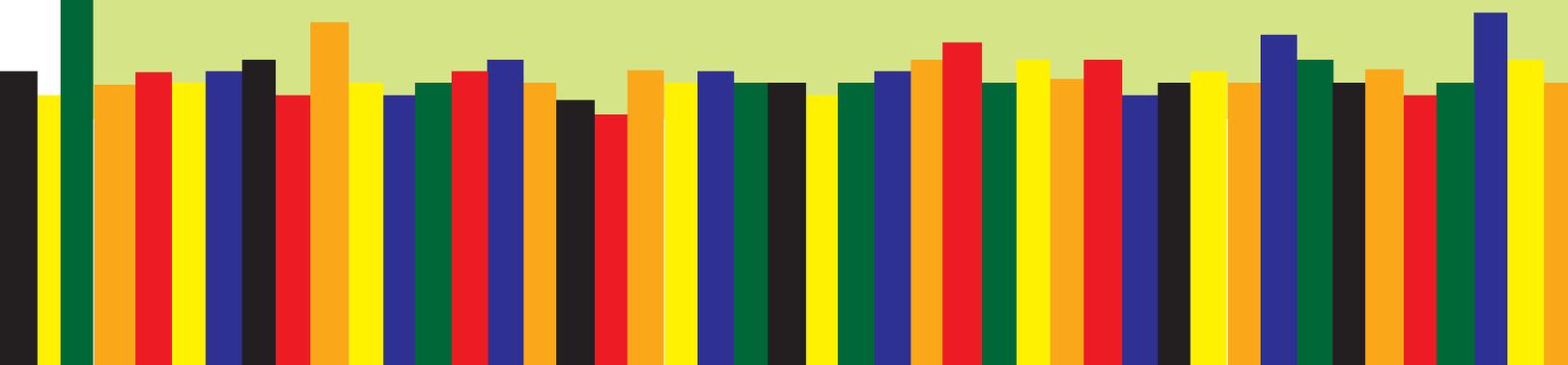
Strengths:

- Partnerships with 14 Chamorro Guma` (dance houses)
- Partnership with Guam Public School Systems
- History of strong grants administration
- Partnerships with community organizations
- Cultural integrity and competence
- Quality of project development, deployment, and management



Weaknesses:

- Lack of diversified funding base
- Lack of an instructional system for management of volunteers
- No plan in place for expansion of administrative capacity
- No plan in place for the accountability, including:
 - Administrative accountability
 - Financial accountability
 - Strategic accountability
- Lack of system to instigate the strategic plan; the plan is not a working document



External Analysis

The environments Pa`a examined are: remote, operational, and cultural. Remote requires the organization to adapt, including: regulations, resource availability, and access to information. Operational affects management, promotion, or facilitation, including: audience, marketing, fundraising, budgeting, program quality, products, and expertise. Cultural influences the relevance of programs in the community, including: cultural trends, competing programs, partners, and funders.

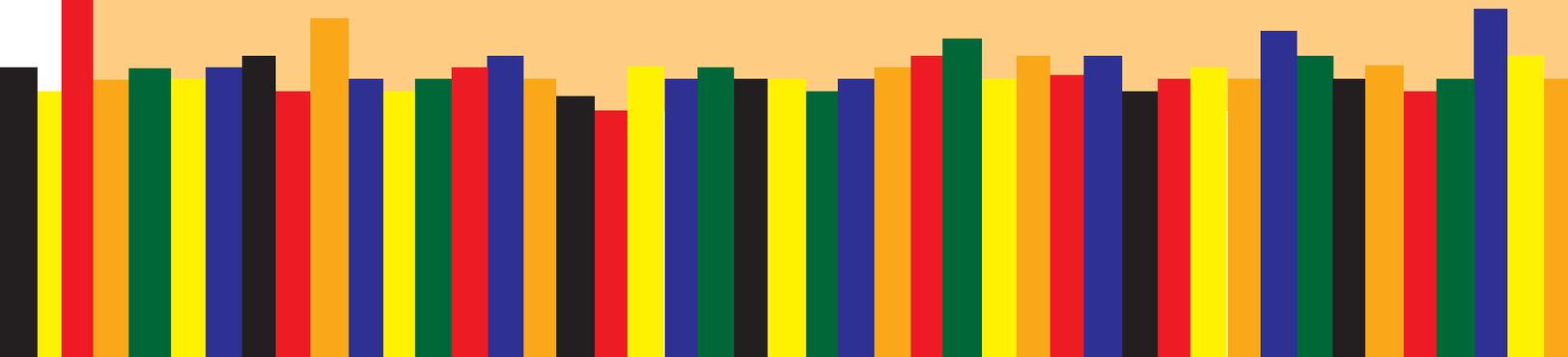
Opportunities:

- Room for the expansion of programming
- Increased and broadening audiences
- Increased interest in Polynesian and Chamorro Culture
- Multiple Guma` (dance houses) for the integration and dissemination of Chamorro tradition.



Threats:

- The cultural misrepresentation of the indigenous people of the Marianna Islands
- Rapid demographic change of the population
- Depletion of natural resources



Our Goals

Plan Goals:

In formulating this five-year strategic plan, Pa`a aims to achieve economic self-sufficiency through viable programs and services that influence positive cultural and social affects while preserving and promoting the Chamorro culture.

Our Objectives

Long Term Objectives:

Programming: Pa`a has been successful in fulfilling its mission with a strong foundation and community support. Pa`a is now focused on expanding its operations to develop a wholly sustainable organization that is self sufficient. Therefore, Pa`a seeks to establish a standalone Chamorro Arts and Culture Academy to foster cultural research, education and expression.

Recruit and retain people: Recruiting and retaining people is an important task in order to support Pa`a as it increases programming and cultural opportunities. The aim here is to raise awareness of the organization and to attract those individuals with an interest in learning about Chamorro culture as well as those who align well with Pa`a's mission and values.

Financials: Pa`a has been successful in obtaining the funds necessary to support extensive programming. By expanding the already strong foundation of the organization and developing a focused strategic plan, Pa`a will be able to initiate a business plan that will enable the organization to achieve economic self sufficiency.

Partnerships: Pa`a seeks an extensive list of partners and supports in Guam and throughout the Marianna Islands. In addition, the organization works with schools, businesses, tourism, and the government to provide services and preserve cultural knowledge. Building upon these relationships and working to continually add more will enable Pa`a to draw from an extensive network of resources.





Our Objectives

Short Term Objectives:

Business Infrastructure and Pro Forma Development: Pa`a has a solid history of effective grants management and cultural programming. This, combined with traditional culture and knowledge, has allowed Pa`a to grow considerably. This success will continue through the design and implementation of a strategic business infrastructure, enabling Pa`a to build a strong foundation for self sufficiency on which to base production and sales.

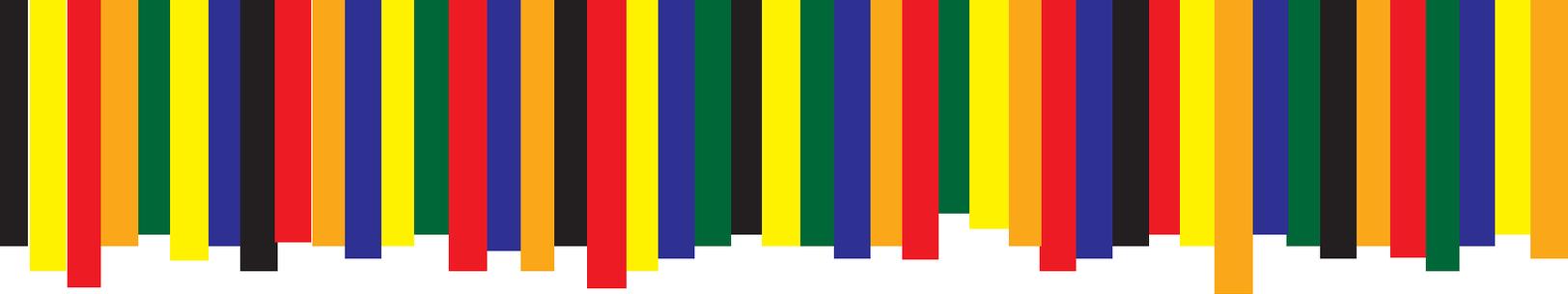
Financial Infrastructure and Fund Development: In conjunction with a business infrastructure, Pa`a will develop the financial infrastructure on which to base the expansion of both current funding sources and retail sales. Additionally, a strategic funding plan will detail the steps necessary in approaching donors and grant funders by tracking and securing opportunities.

Marketing and Outreach: In order to approach donors and grant funders, Pa`a will develop a cohesive brand and portfolio of marketing materials that represent the scope of work provided by the organization. This will then become a main vehicle for promoting the effort of Pa`a within the community and abroad. Using a newly created marketing portfolio, Pa`a will increase outreach efforts throughout the community and online via social media. The focus will be on recruiting and retaining volunteers and students as well as spreading their mission.

Programming: Pa`a has a successful history of ongoing programming and community participation. In order to further its effort, Pa`a will focus on expanding the variety and frequency of programs in an academic setting. Additionally, Pa`a will prepare to take on increased numbers of students interested in learning traditional Chamorro culture.

Community Cultural Education: Pa`a will foster active participation in the Festival of Pacific Arts by creating PCAAP, Pa`a Chamorro Cultural Awareness Program. PCAAP will provide community education and awareness for the Festival of Pacific Arts 2016.





Objective: **Programming**

Strategy:

To develop business infrastructure

Tactics:

- Assemble key coalition members to lead programs and form a committee
- Establish organizational structure to achieve "One Voice"
- Develop business plan and receive Board approval

Measures:

- Memorandums of Agreement are in place between Pa`a and coalition members
- Organizational chart with checks and balances established and published
- Business plan with policies, procedures and plan goals is approved by Board

Next Steps:

- Contact coalition members for support
- Evaluate organizational structure and available resources
- Establish checks and balances for development and receiving approval

Strategy:

To develop a business plan or Pro Forma

Tactics:

- To establish a physical and virtual retail outlet
- Establish baselines and benchmarks of financials and current programming
- Determine tactics to reach benchmarks
- Develop a five-year plan based on agreed upon goals and tactics

Measures:

- Business established
- Baselines and benchmarks established
- Goals developed and clearly laid out
- Tactics established for reaching goals
- Pro Forma developed encompassing a five year financial and program plan aimed at sales and self sufficiency

Next Steps:

- Host committee meeting
 - Establish goals based on review findings
 - Review and evaluate current Pa`a financials and programs
 - Draft Pro Forma for Board approval
- 

Objective: **Programming**

Strategy:

To increase the output of programs and products

Tactics:

- Establish baselines for current efforts
- Develop long-term plans for current and future programs (art, music, dance)
- Identify current and future partners
- Produce curriculum and training
- Produce marketable products

Measures:

- Established baselines
- Benchmark increase in programs
- Benchmark increase in partners
- Developed long-term program plans
- Creation of training resources for partners

Next Steps:

- Review current programs and determine long term goals
- Approach partners and establish training resources
- Develop curriculum for each program stream
- Determine scheduling and develop five-year program plans to track achievement
- Develop supplemental plans for producing marketable products (ie a cookbook)

Strategy:

To develop an academy for cultural education curriculum

Tactics:

- Seek partners and classrooms for each education stream (art, music, dance, etc)
- Identify and provide resources
- Develop and implement educational curriculum within each stream
- Increase participation

Measures:

- Benchmark increase in number of partners and classrooms
- Benchmark increase provided resources
- Benchmark increase in participation
- Benchmark increase in satisfaction identified through satisfaction surveys

Next Steps:

- Identify partners
- Itemize and purchase program supplies
- Submit inquiries, invitations, requests
- Advertise via print and social media
- Draft and develop written curriculum



Objective: **Programming**

Strategy:

To produce an Annual Report each year

Tactics:

- Establish format for report
- Develop Annual Report
- Disseminate report to the community



Measures:

- Annual Report produced
- Increase in number of Annual Reports disseminated to the community, partners and public



Next Steps:

- Develop budget for Annual Plan
- Secure funds to produce plan
- Secure information to be included
- Prepare and print plan
- Disseminate plan to the public



Our Strategies



Objective: **Recruitment**

Strategy:

Our Strategies

To build awareness of the mission and efforts of Pa`a

Tactics:

- Develop a complete brand and marketing package
- Create a branding and marketing guide for usage
- Expand volunteer base through marketing campaign

Measures:

- Creation of usage guide
- Benchmark increase in brand usage online
- Benchmark increase of usage within a given time period
- Benchmark increase of usage for print

Next Steps:

- Produce logo items, brochures, mailers, flyers, tshirts etc
- Update and maintain a forward thinking website with current information
- Attend recruiting events and make use of other volunteer networks
- Use of social media to promote awareness

Strategy:

To initiate positive volunteer experience through governance

Tactics:

- Implement policies that define roles and responsibilities of each party
- Implement necessary training and orientation modules for volunteers
- Develop success planning for all volunteer tracking

Measures:

- Creation and revision of policies
- Implemented succession plans
- Volunteer engagement assessments
- Implemented diverse volunteer opportunities
- Creation of processes and procedures

Next Steps:

- Host training program based on governance policies
- Host (weekly/monthly/annual) training programs to refresh roles
- Conduct interviews, surveys and follow up with feedback
- Establish volunteer database





Objective: **Financials**

Our Strategies

Strategy:

To build financial infrastructure

Tactics:

- Assemble stakeholders to identify Pa`a program targets and funding goals
- Develop financial plan and receive Board approval
- Establish baselines and management controls

Measures:

- Financial plan with policies, plan goals and funding targets is approved by Board
- Financial plan and budgets are reviewed and revised on a monthly/annual basis
- Yearly audits are conducted by independent contractor and receive clean approval ratings



Next Steps:

- Identify key players and stakeholders
- Revise monthly, annually, etc
- Base on strategic program plans and Pro Forma
- Monitor achievements and breakdowns

Strategy:

To create a firm development plan

Tactics:

- Create a plan for a variety of funding
- Create and monitor an FOA guide
- Use financial plan to identify and achieve measurable funding goals
- Increase revenue streams to avoid constraints of any one funding source

Measures:

- Benchmark increase in funding
- Benchmark increase in supports
- Assessments to ensure policy standards
- Positive FY cash flow
- Actual results mirror or exceed goals within the financial plan



Next Steps:

- Identify funders and foundations that invest in the goals of Pa`a
- Monitor new FOAs on a regular basis



Objective: **Financials**

Strategy:

Our Strategies

To build awareness among donors within funding sources

Tactics:

- Develop and execute a fundraising campaign strategy
- Develop a media kit
- Establish online presence and maintain up-to-date information

Measures:

- Increased name recognition
- Increased web traffic monitored with Google Analytics
- Increased profile on news sources
- Increased public image in online media

Next Steps:

- Strategic planning
- Social media and Google Analytics
- Produce marketing materials
- Compile kit for approaching donors, hosting events/booths
- Print and mail media

Strategy:

To establish a retail and virtual sales division and facility

Tactics:

- Identify a development committee
- Develop a finance and operation plan
- Identify community resources, available property and volunteers to staff facility
- Establish artisan and partner approval
- Identify items to be sold
- Develop marketing campaign

Measures:

- Committee Established
- Finance and Operation plan received Board approval
- MOA formulated with Artisans and Partners and Facility identified
- Staff policies and procedures established

Next Steps:

- Identify goals of retail facility
- Approach community to identify partners, artisans, and volunteers
- Identify ideal property or space location
- Establish funding goals and campaign for obtaining facility and needed resources
- Create complete marketing tools to advertise facility and products



Objective: **Partnerships**

Strategy: *Our Strategies*

To expand relationships in local, regional and national communities

Tactics:

- Implement a partner guide with roles and responsibilities for those involved
- Develop a way for communities to contribute knowledge, expertise, ideas

Measures:

- Benchmark increase in number of repeat partners
- Satisfaction surveys

Next Steps:

- Establish expectations
- Open House events and programming
- Installation of online forums
- Conduct needs assessments and align plan goals with community needs
- Open Board Meetings

Strategy:

To establish classrooms and partners

Tactics:

- Work with curricula in partner classrooms for program expansion

Measures:

- Benchmark increase in number of classroom partners

Next Steps:

- Contact universities
- Contact established cultural programs
- Connect with Guam Public School Systems to broaden reach

Objective: **Partnerships**

Strategy:

To establish partnerships with the business community

Tactics:

- Identify strategic businesses to engage
- Develop plans for targeted business
- Establish partnership management plan

Measures:

- Increase in number of businesses that are engaged as partners
- Increase in resources leveraged

Next Steps:

- Identify targeted business
- Conduct quarterly partners meetings
- Establish partnership agreements
- Establish partnership annual plan



Case Study

Case Study:

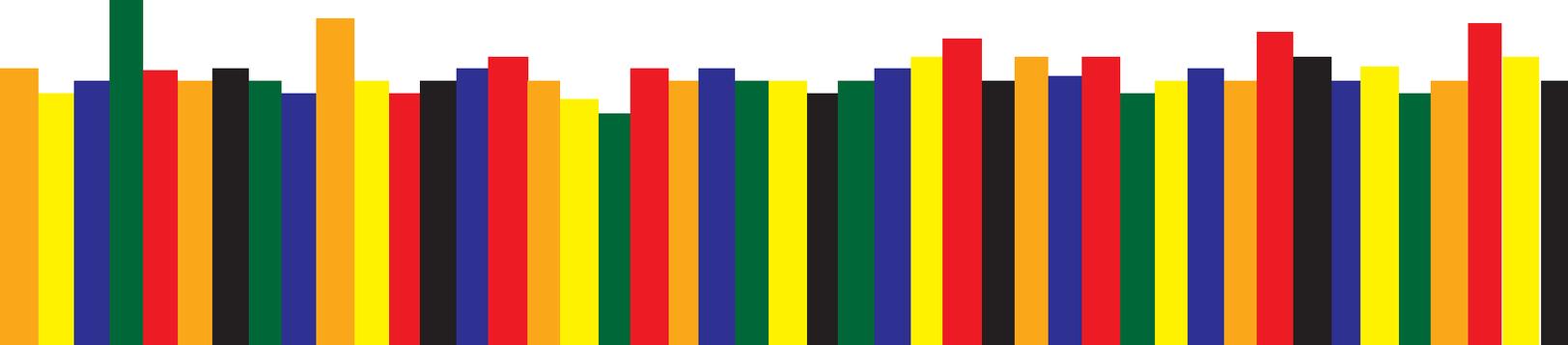




Recommendations

Recommendations and Next Steps:

The top recommendations for the upcoming year would include:

- Establish baseline and benchmark measures through satisfaction surveys, needs assessments, program tracking, etc
 - Expand on strategic plan, including plan goal and detailed budget
 - Implement the Strategic Plan
 - Initiate new policies and procedures, monitoring and tracking systems
 - Adhere to organization's policies and procedures
 - Develop and launch volunteer management system
 - Initiate branding and awareness campaign
 - Conduct monthly board and staff meetings
 - Establish business infrastructure
 - Conduct in-depth external evaluation of the organization's operation
 - Administrative capacity building
 - Produce Annual Report
- 



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PA' A TAOTAO TANO



EMPLOYEE HANDBOOK

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Introduction

This employee handbook is not a contract, express or implied, guaranteeing employment for any specific duration. This handbook replaces (supersedes) all other previous manuals for PA'A TAOTAO TANO as of the effective date shown. The policies and procedures contained herein are continually evaluated and may be amended, modified or terminated at any time. Although we hope that your employment relationship with us will be long term, either you or PA'A TAOTAO TANO may terminate this relationship at any time, for any reason, with or without cause or notice.

Please understand that no manager, supervisor, or representative of PA'A TAOTAO TANO other than the Executive Director has the authority to enter into any agreement with you for employment for any specified period or to make any promises or commitments contrary to the foregoing. Further, any employment agreement entered into by the Executive Director shall not be enforceable unless it is in writing. Please also understand that no manager, supervisor, or other representative of PA'A TAOTAO TANO has the authority to make any verbal promises, commitments, or statements of any kind regarding PA'A TAOTAO TANO policies, procedures, rules or regulations or any other issues that are legally binding on the Organization.

Nature of Employment

As an employee of PA'A TAOTAO TANO, you have the right to terminate your employment at any time. PA'A TAOTAO TANO retains this same right to terminate the employment relationship at any time, with or without notice, and with or without cause, regardless of any other documents or oral or written statements issued by any PA'A TAOTAO TANO representative, with the exception of written employment contracts signed by the Executive Director

Employment

Conflicts of Interest and Confidentiality

You may, from time to time, encounter opportunities that are directly or potentially in competition with the interest of PA'A TAOTAO TANO. In such cases you must refrain from engaging in such activities without prior written consent from PA'A TAOTAO TANO. No employee should use his or her position with PA'A TAOTAO TANO or information acquired during employment in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interests and those of PA'A TAOTAO TANO. Further, no employee should do anything in the conduct of business that would violate any local, state or federal law. All activities conducted as an employee of PA'A TAOTAO TANO should always place the lawful and legitimate interests of PA'A TAOTAO TANO over personal gain.

PA'A TAOTAO TANO has an excellent reputation for conducting its business activities with integrity, fairness, and in accordance with the highest ethical standards. As an employee you are obligated to uphold that reputation in every business activity. If you are ever in doubt whether an activity meets our ethical standards or compromises the organization's reputation, please discuss it with the Executive Director in advance.

Examples of conduct and behavior that would violate this policy include, but are not limited to, the following:

- Investing in any of PA'A TAOTAO TANO's members or suppliers (unless the securities are publicly traded and the investments are on the same terms available to the general public, and not based on any inside information), or having any financial interest in a client or supplier that could cause divided loyalty or even the appearance of divided loyalty.
- Investing or having a financial interest in a competitor, and/or entering into arrangements with competitors which affect price or marketing policies is prohibited at all times.
- Giving any gifts or favors to, or receiving any gifts or favors from, any competitor, supplier, or any individual or business who seeks to do business with PA'A TAOTAO TANO, other than a gift or favor of nominal value (e.g., \$50 or less). Gifts include such things as goods, services, trips/travel, living or entertainment expenses, either in kind or as an expense allowance. No employee, however, may give or receive any gift or favor that could reasonably be viewed as being given or received to gain a business advantage.
- Serving as an employee, owner, officer, consultant, or in any other capacity for a client or supplier, without the prior written approval of the Executive Director. (Engaging in outside employment with a competitor in any capacity is never permitted.)
- Employees may enjoy membership in, and contribute to, political parties, and engage in lobbying on behalf of political candidates. Such activities should be conducted strictly on an employee's own time and at his or her own expense.
- Using, directly or indirectly, corporate funds, assets, or other resources for any unlawful goal or purpose, or in violation of PA'A TAOTAO TANO policies.

- Using information relating to PA'A TAOTAO TANO, its business, suppliers, or members, for personal gain or the transmittal of such information to others for a like purpose.

Any employee who holds, or who has any member of their family who holds any interest in a business, company, or organization that directly or indirectly conducts business with PA'A TAOTAO TANO, or that may profit due to PA'A TAOTAO TANO business or activity, must disclose that interest to the Executive Director. Those parties involved in such interests must abstain from participating in any decision-making process that may materially benefit them as a result of those interests.

Employees are reminded that only the owners of PA'A TAOTAO TANO or those so delegated by them may obligate organization resources by spending money or agreeing on arrangements that have financial impact on the organization.

If an employee has any reason to believe there may be a conflict of interest, he or she should immediately disclose the matter to the Executive Director.

Confidentiality

It is the policy of PA'A TAOTAO TANO to ensure that the operations, activities, and business affairs of PA'A TAOTAO TANO are kept confidential to the greatest extent possible. PA'A TAOTAO TANO maintains certain confidential information and material related to its members and the business.

All employees are to respect the confidence placed in us by our members. The professional relationship between each client and the organization demands that there be no disclosure of any information about projects without proper authorization. This includes responses to inquiries about projects or potential projects from the press, contractors, other professionals or the public. Similar respect should be given to our relationship with consultants.

All employees have a moral and ethical responsibility to safeguard trade secrets and confidential information of both a personal and business nature. In this respect, no employee shall disclose confidential information or trade secrets to any third party, or to any other PA'A TAOTAO TANO employee, unless it is approved in advance as being on a need-to-know basis. Trade secrets and confidential information include, but are not limited to, sales data, earnings, pricing, finances, staffing and other future plans, suppliers, personnel records and matters, medical records, acquisition and divestiture matters, litigation, resources, client information, advertising, promotional plans, computer and alarm passwords, etc. It is critical that the information you possess and develop in the course of your work does not become available to competitors or other outside parties, on or off PA'A TAOTAO TANO premises, and at no time should any unauthorized person have access to any confidential PA'A TAOTAO TANO information. Employees should refer outside inquiries regarding PA'A TAOTAO TANO to the persons in the organization authorized to respond to the particular inquiry or the Executive Director. Violation of this policy will result in appropriate legal action and disciplinary measures, including termination.

In the event of separation from employment, or upon request at any time, all organization records, keys, materials, documents, plans, equipment, and other property must be accounted for and turned in upon management request. No PA'A TAOTAO TANO information or material may be retained for personal use without written authorization from the Executive Director.

Personnel Data Changes

To ensure that your personnel information is up-to-date at all times, notify your supervisor immediately of any changes in your name, telephone number, home address, marital status, number of dependents, beneficiary designations, scholastic achievements, the individuals to notify in case of an emergency, and so forth.

Sexual Harassment

PA'A TAOTAO TANO has adopted a policy of “zero-tolerance” with respect to sexual harassment. Improper interference with the ability of PA'A TAOTAO TANO employees to perform their expected job duties is not tolerated. PA'A TAOTAO TANO prohibits the following:

1. Unwelcome sexual advances; requests for sexual favors; and all other verbal or physical conduct of a sexual or otherwise offensive nature, especially where:
 - Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
 - Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
 - Such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.
2. Offensive comments, jokes, innuendo, and other sexually oriented statements. Examples of the types of conduct expressly prohibited by this policy include, but are not limited to, the following:
 - Touching, such as rubbing or massaging someone's neck or shoulders, stroking someone's hair, or brushing against another's body.
 - Sexually suggestive touching.
 - Grabbing, groping, kissing, fondling.
 - Violating someone's “personal space”.
 - Offensive whistling.
 - Lewd, off-color, sexually oriented comments or jokes.
 - Derogatory comments or jokes about any person's race, religion, ethnicity, sexual orientation, and the like.
 - Foul or obscene language.
 - Leering, staring, stalking.
 - Suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons.
 - Unwanted or offensive letters or poems.

- Sitting or gesturing sexually.
- Offensive e-mail or voice-mail messages.
- Sexually oriented or explicit remarks, including written or oral references to sexual conduct, gossip regarding one's sex life, body, sexual activities deficiencies, or prowess.
- Questions about one's sex life or experiences.
- Repeated requests for dates.
- Sexual favors in return for employment requests or threats if sexual favors are not provided.
- Sexual assault or rape.
- Any other conduct or behavior deemed inappropriate by PA'A TAOTAO TANO.

All employees are responsible for respecting the rights of their coworkers. Further, each member of management is responsible for creating an atmosphere free of sexual harassment. In respect to this commitment, members of management with supervisory authority are not permitted to date subordinates or subordinate-level employees. This also applies to non-supervisory positions where a conflict of interest is present, which creates the potential for favoritism as determined by PA'A TAOTAO TANO. If a romantic or sexual relationship between a supervisor and a subordinate should develop, it shall be the responsibility and mandatory obligation of the supervisor promptly to disclose the existence of the relationship to the Executive Director. The subordinate may make the disclosure as well, but the burden of doing so shall be upon the supervisor. In addition, and in order for the organization to deal effectively with any potentially adverse consequences such a relationship may have for the working environment, any person who believes that he or she has been adversely affected by such a relationship, notwithstanding its disclosure, is encouraged to make his or her views about the matter known to the Executive Director. This policy shall apply without regard to gender and without regard to the sexual orientation of the participants in a relationship of the kind described.

Complaint Procedure

If you experience any job-related harassment based on your sex, promptly report the incident to the Executive Director. This policy applies to all incidents of alleged harassment, including those which occur off-premises, or off-hours, where the alleged offender is a supervisor, coworker, or even a non-employee with whom the employee is involved, directly or indirectly, in a business or potential business relationship.

Should the alleged harassment occur at a time other than your normal business hours, your complaint should be filed as early as practicable on the first business day following the alleged incident.

The Executive Director, or someone under his or her supervision, will undertake a prompt investigation of any complaints. All complaints will be kept confidential to the maximum extent possible. All employees have a duty to cooperate fully with PA'A TAOTAO TANO in connection with any such investigation.

If PA'A TAOTAO TANO determines that an employee is guilty of harassing another individual, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment. PA'A TAOTAO TANO prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation.

COMPENSATION AND BENEFITS

Benefits Program

PA'A TAOTAO TANO has established an employee benefits program designed to assist you and your eligible dependents in meeting the financial burdens that can result from illness and disability.

Our group health program is described more fully in summary plan description booklets, with which you are provided once you are eligible to participate in the program. Complete descriptions of our group health insurance program are also in PA'A TAOTAO TANO master insurance contracts with insurance carriers, which are maintained in the Executive Director's office. If information in this handbook and our summary plan descriptions contradicts information in these master contracts or master plan documents, the master contracts/documents shall govern in all cases.

The following paid benefit programs are currently available to eligible regular full-time employees. More information on these benefits is available through the Executive Director:

- **Medical Coverage**
PA'A TAOTAO TANO reserves the right to amend or terminate these programs or to require or increase employee premium contributions toward any benefits with or without advance notice at its discretion. This reserved right may be exercised in the absence of financial necessity. The respective plan administrator will notify plan participants of all approved amendments or plan terminations.

Classifications of Employment

For purposes of salary administration and eligibility for overtime payments and employee benefits, PA'A TAOTAO TANO classifies its employees and other workers as follows:

- *Full-time regular employees:* Employees hired to work PA'A TAOTAO TANO's normal, full-time, 40-hour workweek on a regular basis. Such employees may be "exempt" or "nonexempt" as defined below.
- *Nonexempt employees:* Employees who are required to be paid overtime at the rate of time and one half (i.e., one-and-one-half times) their regular rate of pay for all hours worked beyond forty hours in a workweek, in accordance with applicable federal wage and hour laws.
- *Exempt employees:* Employees who are not required to be paid overtime, in accordance with applicable federal wage and hour laws, for work performed beyond forty hours in a workweek. Executives, professional employees, outside sales representatives, and certain employees in administrative positions are typically exempt.

PA'A TAOTAO TANO utilizes consultants, vendors, and independent contractors from time to time. These individuals are not considered employees and are therefore ineligible for employee benefits, regardless of the length of the working relationship.

You will be informed of your initial employment classification and of your status as an exempt or nonexempt employee when you are hired. If you change positions during your employment as a result of a promotion, transfer, or otherwise, you will be informed by the Executive Director of any change in your exemption status.

Continuing or Converting Group Health Insurance Coverage (COBRA)

If you resign or are terminated from PA'A TAOTAO TANO or if your work hours are reduced, and if this event makes you or your dependents no longer eligible to participate in one of our group health insurance plans, you and your eligible dependents may have the right to continue to participate in these plans for up to eighteen months at your (or your dependents') expense. If you are determined to be disabled under the Social Security Act at the time your termination or reduction in hours occurs, you may be entitled to continuation coverage for up to twenty-nine months.

Your eligible dependents may also extend coverage, at their expense, for up to thirty-six months in our group health insurance plans in the event of your death, divorce, legal separation, or enrollment for Medicare benefits, or when a child ceases to be eligible for coverage as a dependent under the terms of the plan. The eighteen-month continuation coverage period provided in the event of your termination or reduction in working hours may be extended to thirty-six months for your spouse and dependent children if, within that eighteen-month period, you die or become divorced or legally separated, or if a child ceases to have dependent status. In addition, if you enroll in Medicare during the eighteen-month period, your spouse and dependent children may be entitled to extend their continuation period to thirty-six months, starting on the date that you become eligible for Medicare.

If you or your eligible dependents elect to continue as members of PA'A TAOTAO TANO plans, you will be charged the applicable premium charged PA'A TAOTAO TANO by our carriers plus an additional two percent. Employees with disabilities, however, will be charged an additional fifty percent of the applicable premium during the nineteenth through twenty-ninth months of continuation coverage. The premium is subject to change if the rates being charged PA'A TAOTAO TANO increase or decrease. If this election for continuation coverage is made, you have the right to convert this coverage to an individual policy with our insurance carriers at the end of the continuation period.

Continuation coverage may end, however, if any of the following events occur: (1) failure to make timely payments of all premiums; (2) assumption of coverage under another group health plan, which does not exclude or limit coverage to you on account of a preexisting medical condition; or (3) PA'A TAOTAO TANO termination of its group health plans. If you enroll for Medicare, you will no longer be eligible for continued coverage, but, as noted earlier in this statement, your spouse and dependent children may be entitled to extend their continuation coverage.

Our plan administrator will contact you concerning these options at the time termination occurs or your work hours are reduced. The plan administrator will contact your qualified beneficiaries in the event of your death or enrollment for Medicare benefits. However, in the

event that you become divorced or legally separated, or one of your dependents ceases to be eligible for coverage under our group health insurance plans, you and/or your dependent are responsible for contacting the Executive Director and the plan administrator to discuss continuation/conversion rights. You and your qualified beneficiaries are also responsible for notifying the Executive Director within sixty days of qualifying for social security disability benefits. For further details regarding continuing or converting your group health insurance benefits, please contact the Executive Director.

Performance Appraisals

To ensure that you perform your job to the best of your abilities, it is important that you be recognized for good performance and that you receive appropriate suggestions for improvement when necessary. Consistent with this goal, your performance will be evaluated by your supervisor on an ongoing basis.

Your supervisor may also conduct special written performance evaluations at any time to advise you of the existence of performance or disciplinary problems. A copy of the Pa'a Taotao Tano Performance Appraisal is located on pages 23 & 24.

Recording Work Hours

It is the policy of PA'A TAOTAO TANO to comply with applicable laws that require records to be maintained of the hours worked by our employees. To ensure that accurate records are kept of the hours you actually work, any time off you have taken, and to ensure that you are paid in a timely manner, employees are required to complete a timesheet each day. You are required to record time worked each day (including beginning and ending times for your workday and any meal periods) and your absences on the timesheets issued by PA'A TAOTAO TANO.

Timesheets should be completed daily and signed and forwarded to the office by the 15th of each month and on the last day of each month. Because timesheets are used to track salaries and other activities based on specific jobs, your Supervisor will provide any additional criteria that need to be tracked.

Please ensure that your actual hours worked and leave time taken are recorded accurately. Altering, falsifying, tampering with time records, or recording time on another employee's timesheet will result in disciplinary action, up to and including termination of employment.

Regular Pay Procedures and Pay Corrections

All employees are normally paid on a semi-monthly basis, usually on the 16th and 30th days of the month. Pay periods are from Sunday through Saturday. All required deductions, such as for federal, state, and local taxes, and all authorized voluntary deductions, such as for health insurance contributions, will be withheld automatically from your paychecks.

Please review your paycheck for errors. PA'A TAOTAO TANO takes all reasonable steps to assure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an

error in the amount of pay, promptly bring the discrepancy to the attention of the office so that corrections can be made as quickly as possible.

Salaried Employees

In accordance with the Fair Labor Standards Act regulations, exempt employees who are required to be paid on a salary basis may not have their pay reduced for variations in the quantity or quality of work performed. Employees, who feel their pay has been improperly reduced, or are improperly classified as an exempt employee, should report to the Executive Director immediately, following the procedures specified below.

- A. Exempt employees normally must receive their full salary for any week in which they perform any work, without regard to the number of days or hours worked. However, exempt employees need not be paid for any workweek in which they perform no work at all for the organization.
- B. Deductions from pay cannot be made as a result of absences due to the circumstances listed below. PA'A TAOTAO TANO strictly prohibits improper pay deductions. Supervisors violating this policy will be subject to investigation of their pay practices and appropriate corrective action in accordance with normal procedures.
 - Jury or witness duty when the employee works any portion of the workweek
 - Temporary military leave when the employee works any portion of the workweek
 - Absences caused by the employer
 - Absences caused by the operating requirements of the business
 - Partial day amounts other than those specifically discussed below
3. Deductions from pay are permissible for exempt salaried employees as listed below:
 - An absence of one or more full days for personal reasons other than sickness or disability, when all available vacation is exhausted.
 - Absences of one or more full days due to sickness or disability, when all available sick days are exhausted.
 - When absences of less than a full day occur, PA'A TAOTAO TANO will substitute any available vacation or sick days, depending on the reason for absence, for the time an employee is absent from work so that the employee receives in payment an amount equal to his or her normal salary. If vacation or sick days are exhausted, partial day absences will not reduce the employee's normal salary.
 - Fees received by the employee for jury or witness duty or military leave may be applied to offset the pay otherwise due to the employee for the week.
 - Penalties imposed by infractions of safety rules of major significance.
 - Unpaid disciplinary suspensions of one or more full days in accordance with PA'A TAOTAO TANO's disciplinary policy.
 - Deductions for the first and last week of employment, when only part of the week is worked by the employee, as long as this practice is consistently applied to all exempt employees in the same circumstances.

Complaint Procedure

If you believe your pay has been improperly reduced, contact the Executive Director immediately to request an investigation. You will be asked to specify in writing, using the guidance above, the circumstances of the pay deduction and whether it has occurred on other occasions. PA'A TAOTAO TANO will promptly conduct an investigation to determine if the deduction was improper. If the deduction was in fact improper, PA'A TAOTAO TANO will reimburse you as promptly as possible (but in no case longer than two pay periods from the identification of the problem).

Please direct any questions regarding your employment classification or exemption status to the Executive Director.

Workers' Compensation Insurance

To provide for payment of your medical expenses and for partial wage continuation in the event of a work-related injury, you are covered by workers' compensation insurance. The amount of benefits payable and the duration of payment depend on the nature of your injury. In general, however, all medical expenses incurred in connection with an injury are paid in full, and partial wage payments may be provided.

If you are injured on the job, you must immediately report such injury to your supervisor or any member of management if your supervisor is not available. This ensures that PA'A TAOTAO TANO can assist you in obtaining appropriate medical treatment. Your failure to follow this procedure may result in the appropriate workers' compensation report not being filed in accordance with the law, which may consequently jeopardize your right to benefits in connection with the injury.

Neither PA'A TAOTAO TANO nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by PA'A TAOTAO TANO.

Work Hours

Work schedules for employees vary throughout our organization. Office hours are normally 8:00 am to 5:00 pm Monday through Friday. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variation in the total hours that may be scheduled each day and week.

Lunch periods and work breaks will generally be scheduled by your Supervisor to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during lunch periods and will not be compensated for that time. Non-exempt employees are required to clock out and in when leaving and returning from lunch.

Daily and weekly work schedules may be changed from time to time at the discretion of PA'A TAOTAO TANO to meet the varying conditions of our business. Changes in work schedules will be announced as far in advance as practicable.

Time Off Benefits

Holidays

PA'A TAOTAO TANO has established the following days as PA'A TAOTAO TANO observed holidays:

- All Souls Day
- Chamorro Day
- Christmas Day
- Christmas Eve – One half day
- Election Day
- Good Friday
- Immaculate Concepcion Day
- Independence Day
- Labor Day
- Liberation Day
- Martin Luther King Day
- Memorial Day
- New Year's Day
- New Year's Eve - One half day
- President's Day
- Thanksgiving Day
- Veteran's Day

Holidays falling on a Saturday are normally observed on the preceding Friday. Holidays falling on a Sunday are normally observed on the following Monday.

Regular full-time employees are eligible for holiday benefits. Those not yet eligible for benefits and all employees who are not classified as regular full time employees are ineligible for holiday benefits.

Jury and Witness Duty Leave

All employees are allowed unpaid time off if summoned to appear in court for jury duty or witness duty. Exempt staff members will be paid their normal salary during any workweek in which they appear as a witness or juror and also perform services for PA'A TAOTAO TANO. All employees are expected to report back to work immediately after the court schedule permits.

Please submit a copy of the summons to serve as soon as it is received or at least one week prior to your scheduled reporting date. In addition, proof of service must be submitted when your period of jury or witness duty is completed. PA'A TAOTAO TANO will make no attempt to have your service on a jury postponed except when business necessitates such action.

Military Leaves of Absence

Employees and applicants will not experience any type of discrimination based on their application to enlist, membership, or performance of duties in the uniformed services.

Employee Eligibility

To comply with the federal Uniformed Services Employment and Reemployment Rights Act, PA'A TAOTAO TANO grants military leaves of absence to part-time and full-time employees who enlist for up to five years of active duty in the United States military or who miss work because of reserve or National Guard training or a call-up to active duty. Temporary employees are not eligible for reinstatement under this policy, but seasonal employees are.

Notification of Absence

Employees who must take military leave should request military leave in advance whenever possible. When advance notice is precluded, employees or their families should notify PA'A TAOTAO TANO as soon as possible.

Pay During Leave

Military leave generally is unpaid, unless an employee elects to use vacation to receive pay during military leave. However, exempt salaried employees absent only part of a workweek to perform military service are paid in full for the workweek.

Impact of Leave on Other Benefits

Employees on military leave do not accrue vacation or sick leave. However, the time off counts toward an employee's length of service in determining the rate at which employees accrue vacation, pay, and other benefits after returning from military leave.

Return to Work

- Employees returning from military service of 30 days or less must report to work at the start of the next work period, allowing eight hours for travel after the end of service.
- Employees returning from military service of 31 to 180 days must apply for reinstatement within 14 days of concluding service.
- Those serving longer than 180 days must apply for reinstatement within 90 days of ending military service.

Exceptions to these deadlines are possible when circumstances beyond an individual's control prevent returning to work or applying for reinstatement within the specified period. Extensions also are permitted when individuals require convalescent time after military service. In all other cases, individuals who fail to report to work or apply for reinstatement within the specified period are subject to the organization's disciplinary policy for unexcused absences.

Reinstatement Rights

Employees returning from military leave are entitled to be promptly reinstated to their former positions or, if qualified, to the jobs they would have held without any break in service

(referred to as “escalator positions”), regardless of a disability. However, if after a reasonable effort by PA'A TAOTAO TANO, employees who are not qualified to perform the duties of the escalator position will be reinstated to a position similar in pay, benefits, status, seniority, and other employment terms and conditions.

Employees who no longer qualify for their former or equivalent positions will be offered training to bring their qualifications up to the level needed. If training does not qualify the returning employee for reinstatement to the former or an equivalent position, he or she can be reinstated to a position with lesser pay and status, but with no loss in seniority.

For questions about Military Leaves of Absence, please contact the Executive Director.

Personal Leave

PA'A TAOTAO TANO believes that its employees are the key to what makes a great organization. While work makes up a large portion of an employee's life, we believe that a balance between work and play is essential in maintaining quality performance and a positive atmosphere in which we work. To help foster this belief, PA'A TAOTAO TANO provides eligible non-exempt employees with personal leave (PL).

PL is provided for the purpose of rest, relaxation and a planned interruption from the workplace or to attend to personal affairs. PL provides eligible employees a bank of 160 hours (20 days) per year of employment to cover personal needs, such as vacation, sick days, medical appointments, or the waiting period before workers compensation benefits begin.

PL Scheduling & Payment

Supervisors and staff have the responsibility to plan schedules that meet operating requirements and personal leave needs of staff. In order to balance and meet service and staffing requirements, staff members and supervisors should plan leave schedules well in advance. PL must be pre-approved and pre-scheduled with your supervisor at least one week in advance except in cases of illness or emergency. Employees requesting personal leave must submit a leave request to their supervisor.

Approval for all scheduled leave is subject to applicable workloads and the availability of your PL. In cases of emergency or illness that cannot be prescheduled, employees are required to call their supervisor at the start of their regularly scheduled shift. Failure to call may result in disciplinary action, up to and including termination.

Employees will only be allowed to carry forward from one calendar year to the next ten days of personal leave.

Pay in Lieu of PL

Employees are required to take their available PL. PL is not carried over from year to year and no payments will be made in lieu of taking PL. PL is paid at the employee's base rate of pay at the time it is taken, and does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

Holiday within PL Period

In the event that a holiday observed by PA'A TAOTAO TANO falls within a scheduled PL period, the holiday will not be counted against your PL time and the day will be paid as a holiday.

PL for Terminating Employees

No PL time or pay will be granted or paid to employees terminating employment for any reason.

Employee Conduct

Background Checks

It is the policy of Pa'a Taotao Tano to perform background checks on any or all employees.

Drug-Free Workplace

It is the policy of PA'A TAOTAO TANO to maintain a drug-free workplace in keeping with the spirit and intent of the Drug-Free Workplace Act of 1988. Any employee working on PA'A TAOTAO TANO time while under the influence of drugs or alcohol runs the risk of endangering her/his safety, the safety of others, the damage to personal or PA'A TAOTAO TANO property, and a loss of productivity. PA'A TAOTAO TANO will not tolerate its employees working while impaired by the use of alcohol or any type of drugs.

In order to enhance job productivity and promote the health and safety of employees, PA'A TAOTAO TANO has adopted a substance abuse policy, the terms of which are set forth as follows:

Policy and Objective

Compliance with this policy is a condition of employment and continued employment. PA'A TAOTAO TANO substance abuse policy is applicable to all employees. PA'A TAOTAO TANO will pay for any drug and alcohol test that it requests or requires.

The illegal use, sale or possession of narcotics, drugs, alcohol or controlled substances while on the job is prohibited and is a discharge offense. Any illegal substance will be turned over to the appropriate law enforcement agency and may result in criminal prosecution.

Employees are prohibited from bringing drug paraphernalia onto PA'A TAOTAO TANO's job sites at any time. An employee who possesses or distributes such paraphernalia while on PA'A TAOTAO TANO business shall be subject to disciplinary action, up to and including discharge.

Off-the-job illegal drug use which could adversely affect an employee's job performance or which could jeopardize the safety of others, the public, or PA'A TAOTAO TANO equipment, is proper cause for administrative or disciplinary action up to and including termination of employment.

Employees who are arrested for off-the-job drug activity may be considered to be in violation of this policy. In deciding what action to take, management will take into consideration the nature of the charges, the employee's present job assignment, and the employee's record with PA'A TAOTAO TANO and other factors relating to the impact and circumstances of the employee's arrest.

Drug and Alcohol Testing

- *Reasonable Suspicion Testing:* Each employee, as a condition of continued employment, is subject to medical or physical examinations or tests, including urine drug

screen, at the determination of the responsible supervisor and concurrence of another PA'A TAOTAO TANO supervisor to whom the employee reports, providing the following conditions are met:

- A. If the employee's supervisor has reasonable cause to suspect that the employee is in violation of this policy; or
 - B. If the employee's job performance is deficient in a manner which suggests a possible violation of this policy.
- *Over the Counter and Prescribed Drugs:* Over-the-counter drugs and drugs prescribed by a physician for an employee's personal use, and quantities not exceeding reasonable or specified dosage requirements, are not subject to the policy. Any employee who is taking medication prescribed by a physician must be able to provide a record of the prescription, including the name of the medication, the prescribing physician's name, the reason it was prescribed, and any limitations the prescription may place on the employee's ability to perform assigned duties. Further, employees taking prescription or non-prescription medication are responsible for being aware of any potential effect such drugs may have on their reactions, judgment, or ability to perform their duties, and if impairment is possible, to report such use to their supervisor prior to working.
 - *Refusal:* Employees may refuse to undergo drug and alcohol testing. However, employees who refuse to undergo testing or who fail to cooperate with the testing procedures or who fail to provide an adequate sample, or provide an adulterated sample (e.g., diluted, altered, etc.), will be subject to discipline, up to and including immediate termination.

Specimen Collection

- *Test Subject Privacy:* Appropriate professional personnel will supervise the collection of urine and blood specimens for testing. In the absence of a reasonable suspicion that the test subject will alter or substitute a urine specimen, the collection personnel will not directly observe the collection of the urine specimen.
- *Chain of Custody Procedures:* PA'A TAOTAO TANO will take steps to preserve the chain of custody of specimens in order to ensure testing accuracy.

Specimen Testing Procedures

Specimens will be tested only by laboratories that are properly approved to conduct drug and alcohol testing by the National Institute on Drug Abuse, the Department of Health and Human Services or the College of American Pathologists.

Specimens will be tested only for the presence of alcohol, illegal drugs, their metabolites and the misuse of legal drugs. PA'A TAOTAO TANO may test for the following substances and for any other substance as may be required by state law, federal law, regulations or contractual agreement: alcohol, Amphetamines/Methamphetamines, Marijuana (cannabinoid metabolites), Barbiturates, Benzodiazepines, Opiate derivatives (heroin, morphine, and codeine), Cocaine metabolites, and Phencyclidine (PCP).

PA'A TAOTAO TANO reserves the right to conduct a periodic review of the foregoing list and to add additional drugs to the list, with or without notice. A positive drug/alcohol test result shall mean test results that demonstrate any measure of the above substances.

PA'A TAOTAO TANO will rely only on positive initial screening test results that also have been confirmed by gas chromatography/mass spectrometry or other methods of confirmatory analysis provided for by the National Institute on Drug Abuse, the Department of Health and Human Services or the College of American Pathologists ("confirmatory test").

Suspension Pending Test Results

Pending receipt of test results and written explanations and requests for re-tests of positive confirmatory test results, employees may be temporarily suspended without pay. If an employee is suspended and the final confirmatory test result is negative, the employee will be reinstated immediately with full back pay.

Right to Explain Test Results

Any test subject who tests positive on a confirmatory test on any drug and alcohol test required by PA'A TAOTAO TANO may:

- A. Submit additional information to PA'A TAOTAO TANO (in a confidential setting) to try to explain the confirmed positive test result.
- B. Request in writing a confirmatory re-test of the original sample at the expense of PA'A TAOTAO TANO, provided that PA'A TAOTAO TANO must receive the request within five working days after the test subject has been informed of the confirmed positive test result. Confirmatory re-test of the original specimen must be requested and paid for by the test subject and may be conducted only by laboratories that are properly approved to conduct drug and alcohol testing by the National Institute on Drug Abuse, the Department of Health and Human Services or the College of American Pathologists.

Consequences of Confirmed Positive Test Results

Any employee who tests positive on a confirmatory test on any drug and alcohol test required by PA'A TAOTAO TANO and who does not timely and successfully refute the test results by explanation or re-testing of the original specimen will be subject to discipline, up to and including immediate discharge. At its discretion, PA'A TAOTAO TANO may require employees who violate this policy to successfully complete a drug and/or alcohol abuse assistance or rehabilitation program as a condition of continued employment.

Confidentiality of Test Results

PA'A TAOTAO TANO will not disclose test results except as authorized by the test subject in writing or as authorized, permitted or required by applicable law. Employees are entitled, upon request, to their written test results.

PA'A TAOTAO TANO reserves the right to amend any or all of this drug and alcohol policy, or to terminate it in its entirety should either action be deemed necessary. Any questions concerning this policy should be directed to the Executive Director.

Electronic and Telephonic Communications (Including E-Mail, Voice-Mail and Internet)

All electronic and telephonic communications systems and all communications and information transmitted by, received from, or stored in these systems are the property of PA'A TAOTAO TANO and as such are to be used solely for job-related purposes. The use of any software and business equipment, including, but not limited to, facsimiles, computers, the organization's E-mail system, the Internet, and copy machines for private purposes is strictly prohibited.

Employees using this equipment for personal purposes do so at their own risk. Further, employees are not permitted to use a code, access a file, or retrieve any stored communication unless authorized to do so or unless they have received prior clearance from an authorized PA'A TAOTAO TANO representative. All pass codes are the property of PA'A TAOTAO TANO. No employee may use a pass code or voice-mail access code that has not been issued to that employee or that is unknown to PA'A TAOTAO TANO. Moreover, improper use of the E-mail system (e.g., spreading offensive jokes or remarks), including the Internet, will not be tolerated.

Employees who violate this policy are subject to disciplinary action, up to and including termination.

Monitoring Use

To ensure that the use of electronic and telephonic communications systems and business equipment is consistent with PA'A TAOTAO TANO legitimate business interests, authorized representatives of PA'A TAOTAO TANO may monitor the use of such equipment from time to time. This includes monitoring Internet usage of any kind, blogging, and E-mail. Such monitoring can include intercepting, copying, printing, deleting, or reading all e-mail entering, leaving, or stored on PA'A TAOTAO TANO's communications systems. This may also include listening to stored voice-mail messages.

Internet

PA'A TAOTAO TANO provides access to the Internet. The Internet represents a useful tool for the organization in conducting its business, but like any other tool, it must be used properly. For purposes of this policy, Internet includes any public electronic data communications network.

E-Mail

Internet E-mail, including instant messaging, offers broadly similar capabilities to other organization E-mail systems, except that correspondents are external to PA'A TAOTAO TANO. External E-mail messages may carry one or more attachments. An attachment may be any kind of computer file, such as a word processing document, spreadsheet, software program, or graphic image.

World Wide Web

Most public Web sites are “read only,” meaning that they permit a person who visits the site to read material posted on the Web site but not to leave a message. Other Web sites permit visitors to establish continuing contact by leaving a message (the electronic equivalent of leaving your business card or a telephone message). The owner or operator of a Web site may record the information that a connection was made from PA'A TAOTAO TANO.

As a general rule, employees may not forward, distribute, or incorporate into another work, material retrieved from a Web site or other external system. Very limited or “fair use” may be permitted in certain circumstances. Any employee desiring to reproduce or store the contents of a screen or Web site should contact their Supervisor to ascertain whether the intended use is permissible.

Use of the World Wide Web includes all restrictions, which apply generally to the use of the organization's E-mail and other electronic and telephonic equipment, as noted above. In addition, the following rules apply with respect to Internet usage:

- A. No Browsing of Restricted Content Web Sites: The organization prohibits access to Web sites that contain pornographic material.
- B. No Downloading of Non-Business Related Data: The organization allows the download of files from the Internet. However, downloading files should be limited to those that relate directly to PA'A TAOTAO TANO business.
- C. No Downloading of Application Programs: The organization does not permit the download or installation of application software from the Internet on its computers. Such software may not only contain embedded viruses, but also is untested and may interfere with the functioning of standard organization applications.
- D. No Participation in Web-Based Surveys Without Authorization: When using the Internet, the user implicitly involves PA'A TAOTAO TANO in his/her expression. Therefore, users should not participate in Web or E-mail based surveys or interviews without authorization.
- E. No Use of Subscription-Based Services without Prior Approval: Some Internet sites require that users subscribe before being able to use them. Users should not subscribe to such services without the express approval of management.
- F. No Violation of Copyright: Many of the materials on the Internet are protected by copyright. Even though they may seem to be freely accessible, many of the intellectual property laws that apply to print media still apply to software and material published on the Internet. Employees are permitted to print out Web pages and to download material from the Internet for informational purposes as long as the purpose for such copying falls into the category of “fair use.” Please do not copy or disseminate material that is copyrighted. Employees having any questions regarding such materials should contact the Controller for guidance.

The following behaviors are examples of previously stated or additional actions to activities that are prohibited and considered improper use of the Internet, E-mail or voicemail systems

provided by PA'A TAOTAO TANO. These examples are provided as guidelines only and are not all-inclusive:

Sending or posting discriminatory, harassing, or threatening messages or images

- Sending or receiving instant messages
- Using the organizations time and resources for personal gain
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization
- Violating copyright law
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organizations image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Attempting to break into the computer system of another organization or person
- Refusing to cooperate with security investigations
- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage another organization
- Employees are prohibited from using PA'A TAOTAO TANO or their home computers to post material that may be embarrassing to PA'A TAOTAO TANO, as well as information that could be considered confidential, proprietary, or intellectual property. Restrictions include the use of the organization's logo, graphics, trademarks or trade names, and corporate-owned slogans unless the employee is engaged in a business-related activity with prior PA'A TAOTAO TANO authorization.

As a condition of employment and continued employment, employees are required to sign an E-mail and voice mail acknowledgement form. Employees who violate this policy are subject to disciplinary action, up to and including termination. Employees may also be held personally liable for any violations of this policy.

Guidelines for Appropriate Conduct

PA'A TAOTAO TANO prides itself on the high standards of excellence embodied by our professional and business culture. In maintaining these standards, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. Whether you are on or off duty, your conduct reflects on PA'A TAOTAO TANO. You are, consequently, encouraged to observe the highest standards of professionalism at all times and refrain from

any behavior that might be harmful to you, your coworkers, and/or PA'A TAOTAO TANO, or that might be viewed unfavorably by current or potential members or by the public at large.

Types of behavior and conduct that PA'A TAOTAO TANO considers inappropriate and which could lead to disciplinary action up to and including termination of employment without prior warning, at the sole discretion of the organization, include, but are not limited to, the following:

- Any acts of theft, fraud, embezzlement, or dishonest activities.
- Using alcoholic beverages while engaged in PA'A TAOTAO TANO business.
- Destroying, vandalizing, or damaging PA'A TAOTAO TANO property.
- Disregarding safety or security regulations.
- Engaging in excessive, unnecessary, or unauthorized use of PA'A TAOTAO TANO supplies, particularly for personal purposes.
- Engaging in unauthorized employment elsewhere while on an absence from PA'A TAOTAO TANO.
- Excessive or unauthorized absenteeism or tardiness, as well as job abandonment, or absence without notice.
- Failure to follow instructions or established operating procedures, insubordination, or the general disregard for authority.
- Falsification, omission, or misrepresentation of information, whether verbally or in writing, or the unauthorized release of or failure to maintain confidential information, including trade secrets, in any form or manner.
- Falsifying employment or other records, or obtaining employment or promotion on the basis of false or misleading information.
- Fighting or using obscene, abusive, or threatening language or gestures.
- Having firearms or weapons while on PA'A TAOTAO TANO business.
- Illegally manufacturing, possessing, using, selling, distributing, or transporting drugs or reporting to work intoxicated or under the influence of non-prescribed drugs.
- Inefficient or poor performance of duties and responsibilities.
- Mishandling, misappropriation, or unauthorized removal or possession of the funds and/or property of PA'A TAOTAO TANO.
- Physical, verbal, or any conduct that may be offensive or harmful to other employees, members, or other persons who have contact with PA'A TAOTAO TANO, or any personal conduct that may degrade the public image of PA'A TAOTAO TANO.
- Soliciting or accepting gratuities or gifts from vendors or members.
- Theft of any kind, including stealing property from members, visitors, suppliers, or PA'A TAOTAO TANO.
- Unauthorized or personal use of PA'A TAOTAO TANO equipment, information, supplies, or computer time.
- Unauthorized reproduction or copying of client, or PA'A TAOTAO TANO records or reports.
- Violating the organization's sexual harassment policy.

- Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.

If your performance, work habits, overall behavior, conduct, or demeanor becomes unsatisfactory in the judgment of PA'A TAOTAO TANO, based on violations either of the above or any other PA'A TAOTAO TANO policies, procedures, rules, or regulations, you will be subject to disciplinary action, up to and including termination.

Personal and Workplace Appearance and Demeanor

Discretion in style of dress and behavior is essential to the efficient and professional operation of PA'A TAOTAO TANO. Employees are, therefore, required to dress in appropriate business attire and to behave in a professional, businesslike manner.

Articles of clothing should be neat, clean, hemmed, and in good taste. Please use good judgment in your choice of work clothes and remember to conduct yourself at all times in a way that best represents you and PA'A TAOTAO TANO. This includes refraining from wearing inappropriate attire, such as revealing or provocative clothing at work, meetings, seminars, and other functions and events that are directly or indirectly related to the business or activities of PA'A TAOTAO TANO.

PA'A TAOTAO TANO requires employees to present a professional image to the public and members. Accordingly, each employee must wear appropriate business attire while at the office or conducting business as a representative of PA'A TAOTAO TANO. Professional attire should be worn at all times especially for client meetings.

Personal Hygiene

All employees are expected to maintain clean and appropriate oral and bodily hygiene. The excessive use of perfume or cologne is unacceptable.

Work Area

All employees are required to keep their work environment clean and orderly. Before departing at the end of their workday, office employees should lock all files and cabinets and clear all work materials from desk surfaces, especially materials of a sensitive or confidential nature.

Enforcement

Employees failing to adhere to proper PA'A TAOTAO TANO standards with respect to appearance and demeanor, as determined at the sole discretion of PA'A TAOTAO TANO, are subject to disciplinary action, up to and including termination. Employees who are improperly dressed or groomed may be instructed by their Supervisor to return home to change clothes. The employee may not be compensated for such time away from work, consistent with applicable wage and hour laws.

Termination of Employment and Return of PA'A TAOTAO TANO Property

Employees desiring to terminate their employment relationship with PA'A TAOTAO TANO are requested to notify PA'A TAOTAO TANO at least two weeks in advance of their

intended termination. Such notice should preferably be given in writing to the Executive Director. Proper notice generally allows PA'A TAOTAO TANO sufficient time to calculate monies to which you may be entitled and to include such monies in your final paycheck. Without proper notice, however, you may have to wait until after the end of the next normal pay period to receive such payments.

As mentioned elsewhere in this handbook, all employment relationships with PA'A TAOTAO TANO are on an at-will basis. Thus, although PA'A TAOTAO TANO hopes that our relationships with employees are long term and mutually rewarding, PA'A TAOTAO TANO reserves the right to terminate the employment relationship at any time.

Employees are responsible for all PA'A TAOTAO TANO materials, including, but not limited to credit cards, computers, other equipment, keys, manuals, pagers, telephone cards, cellular phones, tools, vehicles, books, computers, software, data, files, customer lists, or written information issued to them, developed or prepared by them, or in their possession or control (PA'A TAOTAO TANO property). All such property must be returned by employees to the Executive Director or his or her designated representative on or before their last day of work, or at any other time as requested by PA'A TAOTAO TANO. Where permitted by applicable laws, PA'A TAOTAO TANO may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. PA'A TAOTAO TANO may also take all action deemed appropriate to cover or protect its property.

Weapons

PA'A TAOTAO TANO strictly prohibits weapons of any type during work time, and at any PA'A TAOTAO TANO-sponsored events. This includes visible and concealed weapons.

While this list is not all-inclusive, "weapons" includes firearms, knives, any explosive materials, and any other objects that could be used to harass, intimidate, or injure another individual.

Violators of this policy will be subject to disciplinary action, up to and including termination.

Workplace Violence

PA'A TAOTAO TANO is concerned about the increased violence in society, which has also filtered into many workplaces throughout the United States, and has taken steps to help prevent incidents of violence from occurring at PA'A TAOTAO TANO. In this connection, it is the policy of PA'A TAOTAO TANO to expressly prohibit any acts or threats of violence against PA'A TAOTAO TANO members, employees, or suppliers at any time or while they are engaged in business with or on behalf of PA'A TAOTAO TANO.

In keeping with the spirit and intent of this policy, and to ensure PA'A TAOTAO TANO's objectives in this regard are attained, PA'A TAOTAO TANO is committed to the following:

- A. To take prompt remedial action up to and including immediate termination, against any employee who engages in any threatening behavior or acts of violence or who uses any obscene, abusive, or threatening language or gestures.

- B. To take appropriate action when dealing with members, suppliers, or former employees who engage in such behavior. Such action may include notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law.

Any employee who displays a tendency to engage in violent, abusive, or threatening behavior, or who otherwise engages in behavior that PA'A TAOTAO TANO, in its sole discretion, deems offensive or inappropriate may be referred for counseling or other appropriate treatment. Such employees will also be subject to disciplinary action, up to and including discharge.

In furtherance of this policy, employees have a "duty to warn" their supervisors or another member of management of any suspicious activity or situations or incidents that they observe or that they are aware of and involve other employees, former employees, or members that appear problematic. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments or remarks, and the like. Employee reports made pursuant to this policy will be held in confidence to the maximum possible extent. PA'A TAOTAO TANO will not condone any form of retaliation against any employee for making a valid report under this policy.

Performance Appraisal

Performance Appraisal, Page 1 of 2

RATED BY: _____

DATE: _____

NAME: _____

POSITION: _____

PROBATIONARY EMPLOYEE (Please Circle): YES or NO

DATE EMPLOYED: _____

Employee Rating	Excellent	Good	Satisfactory	*Unsatisfactory
Quality of Work				
Quantity of Work				
Professional Attitude Working Relationship				
Adherence to Program Policies & Regulations				
Met Objectives for the Quarter				
Overall Progress				

Overall Evaluation

Employee Rating	Excellent	Good	Satisfactory	Needs Improvement
Overall Progress				

AREAS WHERE TRAINING/IMPROVEMENTS ARE NEEDED: (Continue on next page if needed)

RECOMMENDATIONS

- A. THIS EMPLOYEE SHOULD CONTINUE AS A REGULAR (Please Circle):
YES or NO
- B. WITH THE FOLLOWING CONDITIONS:
- C. IF EMPLOYEE SHOULD NOT CONTINUE AS REGULAR EMPLOYEE, REASONS FOR RELEASE:

Performance Appraisal, Page 2 of 2

RATED BY: _____

DATE: _____

NAME: _____

POSITION: _____

COMMENTS BELOW (Required if Unsatisfactory)

Performance Dimension	Comments
Quality of Work	
Quantity of Work	
Professional Attitude Working Relationship	
Adherence to Program Policies & Regulations	
Met Objectives for the Quarter	
Overall Progress	

AREAS WHERE TRAINING/IMPROVEMENTS ARE NEEDED: _____

EMPLOYEE SIGNATURE: _____

DATE: _____

SUPERVISOR SIGNATURE: _____

DATE: _____

Acknowledgement and Receipt for Handbook

I understand that the information in PA'A TAOTAO TANO's handbook represents guidelines only and that PA'A TAOTAO TANO reserves the right to modify this handbook or amend or terminate any policies, procedures, or employee benefit programs whether or not described in this handbook at any time, or to require and/or increase contributions toward these benefit programs. I understand that I am responsible for reading the handbook, familiarizing myself with its contents, and adhering to all of the policies and procedures of PA'A TAOTAO TANO, whether set forth in this handbook or elsewhere.

I understand that this handbook is not a contract of employment, express or implied, between me and PA'A TAOTAO TANO and that I should not view it as such, or as a guarantee of employment for any specific duration.

I also understand that the policies and procedures contained in this handbook are continually evaluated and may be amended, modified or terminated at any time.

I further understand that no manager, supervisor, or representative of PA'A TAOTAO TANO, other than the Executive Director, has any authority to enter into any agreement guaranteeing employment for any specified period of time. I also understand that any such agreement, if made, shall not be enforceable unless it is in a formal written agreement signed by both me and the Executive Director.

I acknowledge that no manager, supervisor, or other representative of PA'A TAOTAO TANO has the authority to make any verbal promises, commitments, or statements of any kind regarding PA'A TAOTAO TANO policies, procedures, or any other issues that are legally binding on PA'A TAOTAO TANO.

Print Name of Employee: _____

Employee's Signature: _____

Date: _____

Print Name of Management Witness: _____

Signature of Management Witness: _____

Date: _____

Drug-Free Workplace Policy Acknowledgment and Receipt

I have received and read a copy of PA'A TAOTAO TANO's Drug-Free Workplace Policy.

I understand that the Policy applies to me and I agree to comply with all terms and conditions of the Policy. I understand that as a condition of employment or continued employment if I fail to comply with any aspect of the Policy, I will be subject to the offer of employment being rescinded or discipline, up to and including immediate termination of my employment with PA'A TAOTAO TANO.

I understand that the Policy is not intended to and does not constitute a contract of employment between PA'A TAOTAO TANO and me. I also understand that my employment with PA'A TAOTAO TANO is "at will," and that either PA'A TAOTAO TANO or I may terminate my employment with PA'A TAOTAO TANO at any time and for any or no reason. I also understand that no manager or supervisor has any authority to make any statements or representations to me that change or conflict with the at-will status of my employment with PA'A TAOTAO TANO or that change or conflict with any of the provisions of the Drug-Free Workplace Policy. I understand that the at-will status of my employment with PA'A TAOTAO TANO can be modified only by an express written agreement signed by the Executive Director of PA'A TAOTAO TANO.

I understand that the Drug-Free Workplace Policy supersedes and revokes all previous practices, procedures, policies and other statements of PA'A TAOTAO TANO, whether written or oral, that modify, supplement or conflict with the Policy. I also understand the Policy may be amended at any time.

Print Name of Employee: _____

Employee's Signature: _____

Date: _____

Print Name of Management Witness: _____

Signature of Management Witness: _____

Date: _____

E-Mail Employee Acknowledgment

I understand that all electronic communication systems and all information transmitted by, received from, or stored in these systems are the property of PA'A TAOTAO TANO. I also understand that these systems are to be used for job-related purposes and not for personal purposes, and that I have no expectation of privacy in connection with the use of this equipment or with the transmission, receipt, or storage of information in this equipment. I acknowledge and consent to PA'A TAOTAO TANO's monitoring of my e-mail use. I understand that such monitoring can include intercepting, copying, printing, deleting, or reading all e-mail entering, leaving, or stored on PA'A TAOTAO TANO's communications systems in the ordinary course of business.

I agree not to use a code, access a file, or retrieve any stored communication unless authorized. I acknowledge and consent to PA'A TAOTAO TANO monitoring my use of this equipment at any time at its discretion.

Print Name of Employee: _____

Employee's Signature: _____

Date: _____

Print Name of Management Witness: _____

Signature of Management Witness: _____

Date: _____

PA' A TAOTAO TANO



FINANCIAL PROCEDURES
MANUAL

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I. INTRODUCTION

Pa'a Taotao Tano' (Pa'a) is a nonprofit organization incorporated in the Territory of Guam, USA. Pa'a was established to provide a united effort to promote the indigenous Chamorro culture of the people of Guam and the Mariana Islands through activities that perpetuate, educate and preserve the cultural traditions of the Chamorro people. Pa'a functions to provide the organizational capacity to promote our mission, disseminate information, provide education, and create activities in cultural preservation, vital to Chamorro community.

The staff of Pa'a organizes and conducts classes, exhibitions, demonstrations, competitions and productions to facilitate the participation of the Chamorro people in cultural preservation activities. Pa'a also provides on-going technical assistance and training to members of all the Chamorro cultural dance groups in program planning and development, resource development, management and evaluation.

The unique aspect of Pa'a Taotao Tano' is that it is the umbrella organization of all the Chamorro Cultural dance Groups in Guam, CNMI and US mainland. These Chamorro cultural practitioners and group leaders perpetuate the Chamorro culture through chants, dances and language. These representatives are in the best position to have a comprehensive view of our cultural preservation struggles, challenges and accomplishments. Additionally, the Pa'a Taotao Tano' Board of Directors is composed of Guam government leaders and private sector managers who provide sound financial advice and actively promote Pa'a Taotao Tano' in the community and to tourist entities.

The primary purpose of the Financial Management System is to ensure the accurate recording of all transaction, both cash and accrued, which will facilitate the need for compliance with general accounting principles. Included in this objective is the assurance that all program funds are expended and accounted for in a manner consistent with all contract and grant agreements.

The purpose of this manual is to delineate the specific procedure for each accounting transaction.

II. SYSTEMS OVERVIEW

A. BUDGETS

The budget is the proposed plan of expenditures projected from the expected sources of revenues. Included in the budget process is the necessary planning that occurs in order to develop the means to meet the needs, goals, and objectives of the organization. The budget is developed upon sound planning which allows the evaluation to measure the cost/benefits received.

1. Budget Preparation Procedures:

1. The Program Directors will work with the Fiscal Officer to develop a budget to submit to central Executive Director based upon expected requirements for the year.
2. Executive Director, Finance, and the Program Director will jointly review the budget incorporating the funding source requirements and the organizational goals.
3. Executive Director will transmit the approved budget to the funding sources for review and approval.
4. The Finance Department will combine the program requests into a complete budget document identifying the sources of revenue and planned use of the revenue.

2. Monitoring the Budget:

- a. The Accounting Department will prepare monthly expenditure reports for submission to the Executive Director and each Program Director by the 15th day of each month.
- b. Monitoring of the budget is the responsibility of Finance and each Program Director. Each will compare monthly the actual expenditures of the program to the planned expenditures. The budget document is the source data for determining account classifications. Information will be shared with Executive Director.
- c. All deviations from planned expenditures will be justified by the Program Director or Executive Director or, if necessary, corrective action will be implemented immediately.

B. ACCOUNTING

Pa'a uses a double entry bookkeeping system composed of a general ledger and journals of original entry. A double entry bookkeeping system is a self-balancing set of accounts, where at least two accounts are affected by each transaction, and in which the debits must equal the credits.

Pa'a operates on a Program Fund Accounting practice. A program fund is an independent accounting record having separate asset, liability, revenue, expenditure, and fund balance accounts for each grant or contract. All monies received or expended by Pa'a must be classified and defined in accordance with any special regulations, restrictions, or limitations as specified by the grant or contract.

PA'A TAOTAO TANO' revenues and expenditures are maintained on a modified accrual basis. Only at the end of the fiscal year are accrued items posted to the accounting records. The corporate fiscal year is October 1 through September 30.

All ledgers will be maintained in a manner which will facilitate the preparation of internal and external reports.

C. INTERNAL CONTROLS

Pa'a internal controls have been designed to safeguard assets, verify the accuracy of accounting records, promote operational efficiency, and adhere to prescribed management policies and procedures.

All internal reports are designed to provide comprehensive information to facilitate the planning needs of central Executive Director and the Board of Directors.

The Basic Elements of Internal Controls Include

1. A clear establishment of each employee's responsibilities and lines of responsibility.
2. Separation of accounting functions from authorization and disbursement of final payment of expenditures.
3. A proper system of authorization for transactions.

III. ACCOUNTING PROCEDURES

A. CASH RECEIPTS

PURPOSE: The purpose of the cash receipts procedure is to ensure that all revenues are safeguarded, deposited in tact, and recorded to the proper revenue account.

PROCEDURES:

1. Designated Individual

- 1.1. Receives and logs all incoming checks and cash receipts. Routes all checks and cash to the Fiscal Officer.
- 1.2. Logs the date of all cash received.
- 1.3. Records if the monies are received in the form of a check or cash.
- 1.4. Records the check number when applicable.
- 1.5. Enters the amount of monies received.
- 1.6. Records who the money was received from.

2. Fiscal Officer

- 2.1. Receives and reviews all incoming checks and determines the purpose of each.
- 2.2. Records the cash receipts in the Cash Receipts Journal on a daily basis.
- 2.3. Turns the funds over to the employee authorized to make the deposits for PA'A TAOTAO TANO' on a daily basis.

3. Accounting Technician

- 3.1. Stamps all checks "FOR DEPOSIT ONLY".
- 3.2. Prepares bank deposit in duplicate for monies received from Accounting.
- 3.3. Deposits all cash receipts on a daily basis.
- 3.4. Submits bank deposit slip to Bookkeeper immediately after deposit is made.

4. Fiscal Officer

- 4.1. Reviews the Cash Receipts Log and Cash Receipts Journal on a monthly basis to ensure accuracy of fund deposits.

ADDITIONAL INFORMATION:

1. All cash receipts, regardless of their form (currency, check, etc.) must be retained in a secured location until deposited into an authorized bank account.
2. The daily cash receipts should be deposited into the bank during the same day, if possible, under all circumstances must be deposited within 24 hours after their receipt.
3. Deposit books will be purchased in a duplicate format. Only one book per entity be used at any one time with the remaining books being in control of Pa'a Board or designee.

FORM:

1. Cash Receipts

B. PURCHASE ORDER

PURPOSE: To ensure that all purchases are allowable under grant/contract agreements and the expenditure is necessary to accomplish project objectives.

PROCEDURES:

1. Employee

- 1.1. Requests Purchase Order from Account Technician.
- 1.2. Reviews the Federal, State, County, and local guidelines and grants and/or contracts to ascertain if these are approved expenditures and authorizes.
- 1.3. Prepare a Purchase Order for goods or services.

2. Employee

- 2.1. Submits to Executive Director for approval.
- 2.2. Executive Director
- 2.3. Reviews purchase request to insure that item/service is needed for program operations.

3. Employee

- 3.1. Submits approved Purchase Order to vendor, if applicable
- 3.2. Receives and signs for all supplies.
- 3.3. Receives and accepts all services provided.
- 3.4. Submits receiving copy and invoices to Finance Office for processing.

4. Account Technician

- 4.1. Receives the Purchase Order and invoices, checks the invoices against the receiving report and submits these to the Secretary to have a check prepared.

ADDITIONAL INFORMATION:

1. This system strengthens the internal control by:
 - a. Showing the need for the expenditure with the purchase order.
 - b. Approving the purchase before it is made with the issuance of a purchase order.
 - c. Checking in and approving the goods/services.
2. **The only individuals authorized to sign for Executive Director are the Executive Director or the Assistant Director.**

FORM:

Purchase Order

Date:

[Your Company Name]
 [Street Address]
 [City, ST ZIP Code]
 [Phone]
 Fax [000.000.0000]
 [e-mail]

Vendor:

[Name]
 [Company Name]
 [Street Address]
 [City, ST ZIP Code]
 [Phone]
 Customer ID [ABC12345]

Ship To:

[Name]
 [Company Name]
 [Street Address]
 [City, ST ZIP Code]
 [Phone]
 Customer ID [ABC12345]

Shipping Method	Shipping Terms	Delivery Date

Qty	Item #	Description	Job	Unit Price	Line Total
Subtotal					
Sales Tax					
Total					

Please send two copies of your invoice.
 Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
 Please notify us immediately if you are unable to ship as specified.

Send all correspondence to:

[Name]
 [Street Address]
 [City, ST ZIP Code]
 Phone [000.000.0000]
 Fax [000.000.0000]

Authorized By: _____

Date: _____



[Your company slogan]

C. PAYROLL

PURPOSE: To ensure that all personnel costs are authorized and payment is made at approved salary levels.

PROCEDURES:

1. Employee

- 1.1. Records time on a daily basis, by grant/contract.
- 1.2. Completes the Request for Leave five days in advance of the date of absence.
- 1.3. Records sick leave on time sheet. Sick leave over three consecutive days requires doctor's approval.
- 1.4. Submits to the Department/Head Supervisor for approval.

2. Supervisor

- 2.1. Approves all leave.
- 2.2. Reviews time sheets with the employee, should discrepancies be identified.
- 2.3. Approves the time sheets and submits the time sheets and leave slips to Accounting on the last day of the pay period.

3. Fiscal Officer

- 3.1. Reviews the time sheets for accuracy of time reported.
- 3.2. Prepares the payroll schedules to include employee deductions as appropriate.
- 3.3. Submits the payroll schedule and time sheets for preparation of the payroll checks.
- 3.4. Reviews the checks for accuracy.
- 3.5. Obtains the required signatures for payroll checks.

4. Account Technician

- 4.1. Distributes the payroll checks to the employees.
- 4.2. Records leave on the Employees Cumulative Leave Record.
- 4.3. Files the time sheets, leave slips and overtime slips in the proper files.

ADDITIONAL INFORMATION:

1. Employees who do not submit time sheets on time will not receive pay checks.
2. Payroll checks will not be issued prior to pay day.
3. Pa'a Taotao Tano' will not approve a salary advance for any staff member.

FORMS:

1. Employee Time Sheet
2. Employee Leave Slips

PA' A TAOTAO TANO
Bi-Monthly Time Sheet

Month: _____ Dates _____ 2010

Program	Sun.	Mo.	Tu.	Wed.	Thu.	Fri.	Sat.	Total Hrs.
Total								

Program	Sun.	Mo.	Tu.	Wed.	Thu.	Fri.	Sat.	Total Hrs.
Total								

Program	Sun.	Mo.	Tu.	Wed.	Thu.	Fri.	Sat.	Total Hrs.
Total								

Program Hours this Pay Period

Program	Total Hours
Total	

Leave Balance

Type	Forward	Earned	Used	Balance

Signature of Employee: _____

Date: _____

Authorization Signature: _____

Date: _____

PA' A TAOTAO TANO
Application for Leave

I am _____ hours of leave.

Leave Date: _____

Return Date: _____

Employee Signature: _____

Date: _____

Supervisor Signature: _____

Date: _____

D. TELEPHONE LOG

PURPOSE: To accurately document the telephone costs by program and cost center.

PROCEDURES:

1. Fiscal Officer
 - 1.1. Assign each staff person an identifier.
 - 1.2. Assign each project and/or cost center an identifier.
2. Employee
 - 2.1. Code in correct identifiers for each call made.
 - 2.2. Personal long-distance calls will be identified separately.
3. Account Technician
4. Reviews the telephone invoices received from company billing.
5. Checks with employees on long-distance calls that are coded incorrectly.
6. Advise the telephone company of any changes that are not applicable to Pa'a Taotao Tano' T.
7. Process telephone bills for payment in accordance with established procedures.

ADDITIONAL INFORMATION:

1. All personal calls will not be allowed

FORM:

Not Applicable

E. TRAVEL AUTHORIZATION REQUEST AND EXPENSE STATEMENT

PURPOSE: To ensure that all travel is a necessary activity of project and the proper documentation is maintained.

PROCEDURES:

1. Employee/Traveler

- 1.1. Completes a PA'A TAOTAO TANO' staff Travel Authorization and Travel Plan Request form in duplicate for items listed below:
- 1.2. Name, date, project, and point of origin.
- 1.3. Destination
- 1.4. Location in case of emergency
- 1.5. Date and time of departure and return
- 1.6. Mode of transportation and accommodations
- 1.7. Request for Travel Advance
- 1.8. Date requested and employee's signature and submit to supervisor for recommendation

2. Supervisor

- 2.1. Reviews and approve or deny the travel authorization.
- 2.2. Submits to Fiscal Officer for processing five working days prior to travel.
- 2.3. Fiscal Officer
- 2.4. Approves travel advance requests, assigns travel number, and submits for processing.
- 2.5. Prepares a check for advance.
- 2.6. Secures signature of authorized check signer.
- 2.7. Distributes the check and approved copy of the Travel Authorization and Travel Plan to the employee.
- 2.8. Maintains the original copy.
- 2.9. Bookkeeper will record the travel advance and retain the original Travel Authorization and Travel Plan in control file until the receipt of the Travel Expense Report.

3. Employee/Traveler

- 3.1. All Travel Expense claims must be completed and submitted to PA'A TAOTAO TANO' Executive Director immediately after return from trip.
- 3.2. Attach receipts for all expenses listed. (The only exception is meal receipts).
- 3.3. Submit to Supervisor for approval.
- 3.4. Traveler's Supervisor
- 3.5. Review and approve the Travel Expense Report.
- 3.6. Submits approved Travel Expense Report to Accounting.

4. Fiscal Officer

- 4.1. Review accounting information and receipts for accuracy.
- 4.2. Complete Accounting Distribution and Expense Recap.

- 4.3. Have a check prepared if any monies are due to employee/traveler for PA'A TAOTAO TANO' check signature.
- 4.4. Clear advance and charge to the proper expense accounts.
- 4.5. Submit check to employee/traveler if applicable.
- 4.6. Receive money if owed PA'A TAOTAO TANO' and follow cash receipts procedure.

5. Account Technician

- 5.1. File Travel Advance and Travel Expense Report.

ADDITIONAL INFORMATION:

1. All travel advances not liquidated during the month of the travel will be an automatic payroll deduction on the second pay period of the following month. All other prepaid travel expenses not supported by a trip report and receipts will be deducted after 30 days.
2. The appropriate travel expense claim will be determined by individual traveling and type of travel.
3. To be eligible for per diem staff must be on travel status more than 10 hours and performing work a minimum of 50 miles from the PA'A TAOTAO TANO' office.
4. Personal auto usage will be reimbursed at the allowable rate by the Government of Guam or the U.S. Federal Government

FORMS:

5. Staff Travel Authorization and Travel Claim
6. Staff Travel Expense Claim - Private Vehicles and Public Transportation

TRAVEL AUTHORIZATION

I _____ have asked the following employee to make travel arrangements for their trip to: _____

The reason for the trip is to: _____

I will be flying for this trip:

I am using my person vehicle for this trip:

I am requesting a rental car for this trip

Reason for requesting rental car: _____

(Project Director) _____

(Date) _____

Rental Car Approved:

Rental Car Denied:

No travel is to be made until signature secured

TRAVEL LOGISTICS

Traveler: _____

Destination: _____

Reason for Trip: _____

Date of Departure: _____

Time of Departure: _____

Return Date: _____

Time of Return: _____

Hotel Arrangements:

Name of Hotel: _____

Address: _____

Phone Number: _____

Arrival Date: _____

Departure Date: _____

Rate: \$ _____

Air Arrangements:

Departure Date: _____

Airline: _____

Flight Number: _____

Airline: _____

Flight Number: _____

Return Date: _____

Airline: _____

Flight Number: _____

Airline: _____

Flight Number: _____

Cost: _____

TRAVEL ADVANCE REQUEST

TRAVELER: _____

DATES OF TRAVEL: _____

REASON FOR TRAVEL: _____

HOTEL: _____ DAY(S), @ _____ PER DAY=TOTAL: _____

HOTEL TAX: _____ DAY(S), @ _____ PER DAY=TOTAL: _____

HOTEL: _____ DAY(S), @ _____ PER DAY=TOTAL: _____

HOTEL TAX: _____ DAY(S), @ _____ PER DAY=TOTAL: _____

PER DIEM: _____ DAY(S) @ _____ PER DAY TOTAL: _____

TOTAL HOTEL, HOTEL TAX AND PER DIEM: _____

I AM REQUESTING A TRAVEL ADVANCE FOR THE AMOUNT BELOW:

Signature: _____

Office Manager: _____

Check No. _____

Date: _____

Amount: _____

F. IN-KIND GOODS AND SERVICES

PURPOSE: To accurately document all in-kind goods and services received by Pa'a.

PROCEDURES:

1. Donator

- 1.1. Identifies all in-kind goods and services that is being given to the Program.
- 1.2. Reviews all in-kind goods and services forms for accuracy.
- 1.3. Submits the in-kind goods and services form to Pa'a on the appropriate form.

2. Volunteer

- 2.1. Records the following information for in-kind services:
 - 2.1.1. Date service provided.
 - 2.1.2. A description of the service provided.
 - 2.1.3. The time the volunteer began donating time.
 - 2.1.4. The time the volunteer finished donating time.
 - 2.1.5. The per hour value of the service provided.
 - 2.1.6. The total value of the donated time.
 - 2.1.7. Initial each day that time was donated to the program.
 - 2.1.8. Signs the in-kind services form.
 - 2.1.9. Submits the completed form to the Program Coordinator.

3. Program Coordinator

- 3.1. Records the following information for in-kind goods:
- 3.2. Date item donated to the Program.
- 3.3. A description of the item donated.
- 3.4. The fair market value of the item donated.
- 3.5. Secures the signature of the individual donating the time.
- 3.6. Submits to the tribe on a monthly basis.

4. PA'A TAOTAO TANO' Program Director

- 4.1. Reviews the services and foods donations submitted by the tribe.
- 4.2. Submits to the PA'A TAOTAO TANO' Assistant Director, on a monthly basis, the donated goods and services receipts.
- 4.3. Tracks the dollar value of in-kind goods and services to ensure that contract requirements are met.

5. PA'A TAOTAO TANO' Assistant Director

- 5.1. Reviews all donated goods and services and submits to the Pa'a Accounting for processing.

6. Bookkeeper

- 6.1. Enters the dollar value of the in-kind goods and services receipts into the appropriate accounting records.

ADDITIONAL INFORMATION:

1. All in-kind goods and services must come from a source that is not supported with

federal dollars unless specifically allowable under the funding source legislation.

2. The allowable in-kind goods and services that can be used to meet a required match must fall within the allowable budget line items for the Program receiving the goods and services.

FORMS:

1. PA'A TAOTAO TANO' In-Kind Goods
2. PA'A TAOTAO TANO' In-Kind Services

G. PROGRAM INCOME

PURPOSE: To detail the specific requirements for the receipt and expenditure of program income.

PROCEDURES:

1. Bookkeeper

- 1.1. Review Pa'a monthly cash receipts to identify revenue generated as a result of a grant/contract funded activity.
- 1.2. Prepare a cash receipts journal entry crediting the grant/contract which generated the income.
- 1.3. Post to the general ledger.

2. Fiscal Officer

- 2.1. Review program income generated on a monthly basis.
- 2.2. Review the requirements of the funding source to insure proper treatment of the revenue.
- 2.3. Report program income to the funding source as required by grant/contract agreement.

ADDITIONAL INFORMATION:

1. The three methods for treatment of program income are:
 - a. Additive - net or gross
 - b. Deductive
 - c. Cost Sharing
2. The default method for treatment of program income is default.
3. Program income funds are to be the spent, prior to requesting funds from the government funding source.

IV. CONSULTING AND CONTRACTOR SERVICE AGREEMENT

PURPOSE

It is the intent of this section, where possible, to systematize the formal contractor service agreements to conform to existing state and federal regulations while meeting the needs of PA'A TAOTAO TANO'.

Please refer to Procurement Section for Procurement of Services.

No contract negotiations should occur prior to discussing the need with the Executive Director. Only those employees authorized by the Executive Director may initiate contracts. The Fiscal Officer will be the Contract Officer. All contractor service agreements must be executed by the Executive Director. Prior to executing a contract, the Executive Director will ensure that the agreement has been reviewed by the Fiscal Officer and Project Director.

Accounting certifies that sufficient funds are available prior to any contract being executed. The Project Director is responsible for submitting the required information to the Executive Director, monitoring the contractor's activities, verifying and approving the Contractor's Invoices, and receiving the final reports.

PREPARATION

All contracts will be prepared with a minimum of three copies. After all parties have executed the contract, the original copy will be maintained by Accounting with the remaining copies being retained by Central Filing and the contractor. All contracts will include at least the following items and conditions:

1. An identity clause which describes the parties to the contract. The date of the agreement will be included in this clause. This date should agree with the effective date of the contract, which cannot precede the date the contract is executed.
2. A scope of service clause.
3. A compensation clause which describes the amount and method of payment. This clause should always include the maximum amount that can be earned along with any limitations as to the term of the agreement. Payments shall not exceed an amount beyond which the work has progressed. Advances are not permissible. Usually, the payment should not occur more often than once a month, and only after the receipt of an invoice. Specific payment dates should be avoided. No fringe benefits and state or federal withholdings are permitted for contractors. These allowances are reserved for employees only.
4. A cancellation clause which protects the rights of the parties for termination of the contract prior to the expiration date, if any, and making the contract subject to available government funding.
5. A hold harmless and property rights clause may be optional, however desirable. These clauses would establish the rights of the parties in the event of damages suffered, and would limit the use and distribution of any materials, supplies, or reports furnished by the

contractor.

6. The social security number of the contractor.

FORM

1. Consulting Agreement and Invoice

**Pa-a TAOTAO TANO
MASTER CONSULTING SERVICE AGREEMENT**

The PARTIES to this Agreement (herein "Agreement") are Pa'a TaoTao Tano, a non-profit organization (herein "Pa'a"), and _____ (herein "CONSULTANT"), who agrees as follows:

Services to be Provided by CONSULTANT. Pa'a hereby retains CONSULTANT to provide specific services described in the individual Schedule A, "Task Order". Furthermore, the terms and conditions set forth in Schedule B "Other Applicable Provisions" shall be incorporated into this Agreement and applicable to the Parties.

Term of Agreement. The term of this Agreement shall be for the work product to be completed by _____.

Compensation to CONSULTANT. Fees will be charged to Pa'a for services described in Schedule A, "Task Order." Payment for work performed shall not be paid until the agreed upon work product has been accepted and approved by the Project Manager. Terms of payment shall be net 30 days from receipt of invoice subject to acceptance.

Confidential Information. The Organization has developed, compiled and owns, and will develop or acquire, certain proprietary techniques and confidential information which have or will have great value in its business (referred to in this Agreement collectively as "Confidential Information"). Confidential Information includes not only information disclosed to CONSULTANT by PA'A, but also information developed or learned by CONSULTANT during the course of his service with PA'A. Confidential Information is to be broadly defined and includes all information which has or could have commercial value or other utility in the business in which PA'A is engaged or contemplates engaging or the unauthorized disclosure of which could be detrimental to the interests of PA'A, whether or not such information is identified as Confidential Information by PA'A. By example and without limitation, Confidential Information includes any and all information concerning licenses, products, processes, formulas, trade secrets, innovations, inventions, discoveries, improvements, techniques, research, development, marketing plans, business plans, strategies, forecasts, unpublished financial statements, budgets, projections, customer and supplier identities, characteristics and agreements, and any proprietary information and trade secrets of PA'A's co-venturers, franchisors, licensors and customers. CONSULTANT will, at all times during and for the indefinite future subsequent to his engagement by PA'A, hold the Confidential Information in trust, keep the Confidential Information confidential and not disclose the Confidential Information to any third party or make any use, except for the benefit of PA'A and in the course of his engagement by PA'A, of any of the Confidential Information. It is understood and agreed by the parties that the obligations of this paragraph shall survive the expiration of termination of this Agreement, and shall survive until such Confidential Information is no longer confidential and in the public domain (not due to unauthorized disclosure by CONSULTANT or any third party).

Assignment and Disclosure of Innovations. All work product, discoveries, developments,

designs, innovations, improvements, inventions, formulas, processes, techniques, know-how and data (whether or not patentable or registrable under copyright or similar statutes) made, conceived, reduced to practice or learned by CONSULTANT (either alone or jointly with others) during the period of his engagement with PA'A that are related to or useful in the business of PA'A or from the use of premises, equipment or other facilities owned, leased or otherwise acquired by PA'A and all original materials prepared by CONSULTANT in connection with the performance of services under this Agreement, including, without limitation, all reports, proposals, analysis, writings, sound recordings, pictorial reproductions or materials of any type whatsoever (all of the foregoing being referred to in this Agreement as "Innovations") are and shall remain the sole and exclusive property of PA'A, and CONSULTANT will assert no right, claim or interest of any nature whatsoever with respect thereto. CONSULTANT hereby assigns to PA'A all right, title and interest CONSULTANT may have or acquire in and to all Innovations. With respect to Innovations which are copyrightable, CONSULTANT acknowledges and agrees that such Innovations shall be works made for hire as defined by Section 101 of Title 17 of the United States Code. CONSULTANT shall sign and deliver to PA'A (either during or subsequent to his service) such other documents as PA'A shall consider desirable to evidence the assignment of all rights of CONSULTANT, if any, in any Innovations to PA'A and/or PA'A's ownership of such Innovations. CONSULTANT will promptly disclose in writing to PA'A all Innovations.

Warrant, Indemnity and Hold Harmless Agreement. CONSULTANT warrants and represents that it has every legal right to enter into this Agreement and to perform in accordance with its terms, and that it is not and will not become a party to any agreement with any third party which would be in violation of the rights granted to PA'A thereunder. CONSULTANT will indemnify and hold PA'A harmless from and against any losses, damages and liabilities; including reasonable attorney's fees, resulting from or arising out of the performance of breach of this Agreement. PA'A makes no warranty, indemnity or hold harmless agreement, and will incur no liability thereunder except for gross negligence.

Independent Contractor. CONSULTANT is an independent contractor (not an employee or other agent) solely responsible for the manner and hours in which the duties are performed, is solely responsible for all taxes, withholdings, and other statutory, regulatory or contractual obligations of any sort (including, but not limited to, those relating to workers' compensation, disability insurance, Social Security, unemployment compensation coverage, the Fair Labor Standards Act, income taxes, etc.), and is not entitled to participate in any employee benefits plans, fringe benefit programs, group insurance arrangements or similar programs. If CONSULTANT is a corporation, it will ensure that its employees and agents are bound in writing to CONSULTANT's obligations under this Agreement. CONSULTANT shall neither be, nor represent himself as being, an employee of PA'A. CONSULTANT shall perform his services independently according to accepted standards of his profession. CONSULTANT shall have no authority to bind PA'A or incur any obligations on behalf of PA'A.

Non-Assignability. This Agreement may not be assigned or transferred by either party without the prior written approval of the other party.

Termination. If either party materially breaches this Agreement, the other party may terminate this Agreement upon ten (10) days' notice unless the breach is cured within the notice period. PA'A also may terminate this Agreement at any time, with or without cause, upon notice, but, if (and only if) without cause, PA'A shall upon termination pay CONSULTANT all unpaid amounts due for Services completed prior to notice of termination.

Notice. Notices shall be sufficient if posted by registered or certified mail, postage prepaid and addressed, to CONSULTANT as follows:

Consultant Contact Information:

Phone: _____

Email: _____

and to Pa'a TaoTao Tano, as follows:

Pa'a TaoTao Tano

or such other address as shall be furnished by either party to the other by written notice. Any such notice shall be deemed delivered and effective two (3) days after the date of postmark, when posted within the United States, and five (5) days after the date of postmark when posted outside the United States.

Complete Agreement. This Agreement constitutes the entire understanding between parties and no amendment or modification hereof shall be effective unless reduced to writing and signed by both parties.

Severability. Should any provision of this Agreement be held invalid or unenforceable, such a holding shall not affect the validity or enforceability of any other provision hereof.

Remedies. CONSULTANT acknowledges that its breach of any of the terms, conditions, warranties or representations in this Agreement may result in immediate and irreparable damage to PA'A, and that in such event there may be no adequate remedy at law. In event of such a breach, PA'A shall be entitled to equitable relief by way of injunction in addition to whatever other rights or remedies may be available under this Agreement or otherwise.

Applicable Law. This Agreement shall be governed by the laws of the territory of Guam.

Headings. The headings of the sections and paragraphs of the Agreement have been inserted for convenience of reference only and do not constitute a part of this Agreement.

Counterparts. This Agreement may be executed in counterpart with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together, and shall constitute one and the same instrument

IN AGREEMENT WITH THE ABOVE, the parties have executed this Agreement as of this ___ day of _____.

“PA’A ”

By (Senior Partner or Designate): _____

Date: _____

“CONSULTANT”

Signature: _____

Date: _____

Title: _____

Name of Business: _____

Employer ID or SS Number: _____

SCHEDULE A
Pa'a TaoTao Tano

Task Order Number: _____

Consultant: _____

Contract: _____

Description	Days	Daily Rate	Cost
Total			

Description of Services:

- 1.
- 2.
- 3.

Billing will occur upon completion of all reports and submission of invoice.

Invoice should be sent to the corporate office at:

Pa'a TaoTao Tano

Attention:

Consultant Signature: _____

Date: _____

Pa'a TaoTao Tano _____

Date: _____

SCHEDULE B
OTHER APPLICABLE PROVISIONS

1. Travel Reimbursement.
 - a.
 - b.
2. CONSULTANT Reimbursement.
 - 1.

V. PROPERTY AND EQUIPMENT

PURPOSE: This section provides applicable policies and procedures for the utilization and disposition of property furnished or acquired in whole or in part under projects supported by federal program grant funds.

Please refer to the Procurement Section for Acquisition of Property.

A. Unexpendable Personal Property

1. Title

- a. Title to non-expendable personal property acquired by PA'A TAOTAO TANO' shall be vested with the PA'A TAOTAO TANO', except that the federal government may require PA'A TAOTAO TANO' to transfer title to the property of federal government or a third party named by them if the project is financed solely by federal funds, the property has an acquisition cost of \$5,000 or more, and the property is unique or difficult and costly to replace.

2. Use and Disposition

- a. PA'A TAOTAO TANO' shall use property acquired under a project supported by the federal government program grant as long as there is a need for the property to accomplish the purpose of the project whether or not the project continues to be supported by federal program grant funds. When there is no longer a need for the property to accomplish the purpose of the project, PA'A TAOTAO TANO' shall use the property in connection with projects supported by grants of other federal agencies.
- b. When PA'A TAOTAO TANO' no longer needs the property in any of its grant supported projects, the property may be used for its own official activities in accordance with the following standards:
 - PA'A TAOTAO TANO' may use the property for its own official activities without reimbursement to the federal government if it has a fair market value less than \$5,000.
 - PA'A TAOTAO TANO' will retain all other non-expendable property for its own use once disposition has been received from the awarding agency and they have been fairly compensated for their share of the property.
 - If PA'A TAOTAO TANO' has no need for the property, disposition of the property shall be made as follows:
 - Property with a fair market value less than \$5,000 may be sold and the entire proceeds retained by PA'A TAOTAO TANO'.
 - PA'A TAOTAO TANO' shall request disposition instructions from the awarding agency for non-expendable property with a fair market value of over \$5,000. The awarding agency shall issue such instructions to PA'A TAOTAO TANO' within 120 days.
 - Federally Owned Property--Title to federally owned property (property to which

the federal government retains title) remains vested by law with the federal government. Upon termination of the grant or need for the property, such property shall be reported to federal government for appropriate disposition instructions.

3. Property Management Standards

Pa'a property management standards for non-expendable personal property shall include the following:

1. A policy which requires prudence in the acquisition of equipment. A review will take place to assure that equipment is needed and that the need cannot be met with equipment already in the possession of PA'A TAOTAO TANO'.
2. Property records shall be maintained accurately and provided for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; percent of federal participation; source of the property; and ultimate disposition date including sales price or the method used to determine current fair market value.
3. A physical inventory of property will be done and reconciled with the property records at the end of each corporate year to verify the existence, current utilization, and continued need for the property.
4. A control system will be maintained to ensure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of non-expendable property shall be investigated and fully documented.
5. Adequate maintenance procedures to keep the property in good condition.

6. Equipment Use and Disposition

- a. If the program which purchased the equipment has no further use for the equipment it will be transferred to a PA'A TAOTAO TANO' government funded program which needs the equipment. A transfer equipment form must be completed and approved by Executive Director.
- b. If there is no use for the equipment PA'A TAOTAO TANO' will survey the member tribes to determine if there is a need within a tribal program for the equipment. A deletion of equipment form will be completed and approved by Executive Director.
- c. If there is no need for the equipment, fair market value will be established and the equipment sold for no less than fair market value. A deletion of equipment form will be completed and approved by Executive Director.
- d. If there is no value to the equipment, the equipment will be given to a non-profit organization or an individual at no cost. A deletion of equipment form will be completed and approved by Executive Director.

VI. PROCUREMENT PROCEDURES

A. DETERMINATION OF PROCUREMENT METHODS

PURPOSE: The purpose is to establish the appropriate procurement method to be used for the goods or services to be purchased. The methods allowable comply with agency, state and federal regulation requirements.

PROCEDURES:

1. Program Director

1.1. Establish cost estimate for the purchase in the aggregate and submit to Contract Officer.

2. Fiscal Officer

2.1. Select the appropriate method for the procurement.

2.2. \$5,000 in the aggregate and lower will follow small purchase procedures.

2.3. \$5,000 in the aggregate and over follow Steps C-H.

2.4. Submit description and cost estimate for approval.

3. Executive Director

3.1. Authorize purchases over \$5,000 and Program Director will authorize purchases under \$5,000.

ADDITIONAL INFORMATION:

1. In the aggregate is the total amount through single or multiple purchases of the item(s) for the program period, i.e. training books - 12 purchases per year @ \$500 per purchase is an aggregate amount of \$6,000.
2. The Fiscal Officer will serve as Contracts Officer.
3. Allowable methods of large procurement.
 - a. Sealed Bids
 - Advertisement of IFB
 - Conditions
 - See regulations for etc.
 - Award must be made to lowest bidder
 - b. Competitive Proposals
 - Advertisement of RFP
 - Conditions
 - Award of Contract based on multiple criteria.
4. Noncompetitive proposals are those where only one bid is received or only one source is solicited.
5. Noncompetitive proposals may be used only when it is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following applies:
 - a. Only available from a single source.

- b. Emergency exists.
- c. Awarding agency authorizes noncompetitive proposal.

FORM:

- 1. Cost Estimate and Description

COST ESTIMATE AND DESCRIPTION

SERVICES/GOODS TO BE PURCHASED: _____

ESTIMATED COST: \$ _____

BASIS FOR ESTIMATION: _____

APPROVED:

Executive Director's Signature: _____

Contract Officer's Signature: _____

B. SMALL PURCHASE PROCEDURES

PURPOSE: To provide guidance to Program Directors making small purchases. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$5,000 in the aggregate.

PROCEDURES:

1. Program Director

- 1.1. For purchase under \$100 in the aggregate:
- 1.2. a. At the Program Director's discretion, observe agency internal controls governing P.O.'s and payment of invoices.
- 1.3. For purchases from \$100 to \$1,000:
- 1.4. List description of item to be purchased on quote sheet.
- 1.5. Obtain a minimum of three telephone or written (includes catalogs) cost quotes for the purchase. The quotation must meet the description.
- 1.6. Make recommendation based on price or provide justification for not accepting low cost.
- 1.7. Obtain approval of Executive Director designee and Fiscal Officer.
- 1.8. Make purchase.
- 1.9. For purchases over \$1,000, but under \$5,000:
- 1.10. Develop description of item(s) to be purchased on specifications sheet.
- 1.11. Determine whether bids should be advertised or solicited. (If there are relatively few vendors it may save time and money to solicit bids). If it is determined that advertised bids will be obtained follow procedures C-H. Local advertisement for bids may be made when you may not have identified all possible vendors.

2. Executive Director

- 2.1. Sign-off approval.

FORM:

1. Cost Quotation

COST QUOTATION

INFORMATION	VALUE
DATE	
DESCRIPTION OF ITEM TO BE PURCHASED	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM	
QUOTE (\$)	
ADDITIONAL INFORMATION	

INFORMATION	VALUE
DATE	
DESCRIPTION OF ITEM TO BE PURCHASED	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM	
QUOTE (\$)	
ADDITIONAL INFORMATION	

INFORMATION	VALUE
DATE	
DESCRIPTION OF ITEM TO BE PURCHASED	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM	
QUOTE (\$)	
ADDITIONAL INFORMATION	

DECISION

VENDOR CHOSEN	ITEM CHOSEN	QUOTE (Justify if Quote is not the lowest)	LOWEST

REQUESTED BY:

Date: _____

APPROVED BY:

Date: _____

C. BID/PROPOSAL PACKAGE

PURPOSE: To establish the process for development of a standard bid package for goods and services.

PROCEDURES:

1. Program Director

1.1. Prepare the scope of work statement and/or specifications of materials/services to be solicited.

2. Contracts Officer

2.1. Establish the solicitation time frame which includes:

2.2. Date and time period for advertisement.

2.3. Closing date for receipt of bids/proposals.

2.4. Opening date of bids/proposals.

3. Program Director

3.1. Establish minimum requirements.

3.2. Establish evaluation criteria, if applicable.

4. Contracts Officer

4.1. Prepare the bid package which includes:

4.2. Cover sheet (closing and opening date)

4.3. Statement of work specifications or materials to be purchased.

4.4. Minimum requirements

4.5. Evaluation criteria

4.6. Work quality standards

4.7. Proposal format

4.8. Sample contract

4.9. Date of bidder's conference

4.10. Right of the agency to accept or reject all bids

4.11. Period of contract

ADDITIONAL INFORMATION

1. Minimum requirements must include:

a. Certification regarding debarment and suspension.

b. Lobbying

c. Drug Free Workplace

2. Affirmative Action Steps must include:

a. Giving preference to each of the following:

- Minority Firms

- Women Business Enterprises

- Labor Surplus Area Firms

- Small Business (defined as any business whose gross revenue \$2,000,000 or less per year)

3. PA'A TAOTAO TANO' shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of proper procurement. Consideration must be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources.
4. Minimum requirements cannot be unreasonable or excessive.

FORMS:

1. Certification Regarding Debarment and Suspension
2. Certification Regarding Lobbying
3. Drug Free Workplace Certification

CONTRACTOR

CONTRACTOR'S NAME: _____

**Certification Regarding
Debarment, Suspension and Other Responsibility Matters
Primary Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE SIGNING CERTIFICATION, READ ATTACHED INSTRUCTION)

1. The prospective contractor certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission or any of the offense enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE: _____

DATE: _____

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective contractor is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Department of Labor's (DOL) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the DOL determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the DOL may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DOL if at any time the prospective primary participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction"; "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the DOL for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DOL.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions", provided by the DOL, without modification, in all lower tier covered transactions and all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determined the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded From Procurement or Nonprocurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause.

The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the agency may terminate this transaction for cause or default.

Certification Regarding Lobbying
Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant loan or cooperative agreement, the undersigned shall complete and submit Standard Form a-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall required that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loan and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Organization: _____

Authorized Signature: _____

Title: _____

Date: _____

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:
 - a. *Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

- b. *Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;
- c. *Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance
- d. *Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about --
 1. The dangers of drug abuse in the workplace;
 2. The grantee's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 1. Abide by the terms of the statement; and
 2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- e. Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted

employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- f. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
 - 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- h. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance

Street address

City: _____

County: _____

State: _____

Zip code: _____

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

- a. The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- b. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

D. SOLICITATION OF BIDS/PROPOSALS

PURPOSE: To establish a standard method of advertising procurement activities to assure maximum open and free competition.

PROCEDURES:

1. Program Director

- 1.1. Prepare the advertisement for newspaper.
- 1.2. Prepare notice to be posted.
- 1.3. Submit to Contracts.

2. Contracts Officer

- 2.1. Submit advertisement to newspaper and post advertisement.
- 2.2. Secure documentation of advertisement, i.e. newspaper - tear sheet, posting signed statement from the office where it was posted.
- 2.3. Notify all individuals on the bidders list of solicitation, if applicable.

3. Secretary

- 3.1. Record the name of the individuals or firms requesting bid packages, the date the request was received, and the date the bid package was sent.

4. Program Director

- 4.1. Prepare technical information for bidder's conference.
- 4.2. Facilitate bidder's conference.

5. Secretary

- 5.1. Provide sign-in sheet for bidder's conference and ensure all individuals sign.
- 5.2. Record minutes of bidder's conference.

ADDITIONAL INFORMATION:

1. No verbal information about the solicitation will be provided to anyone.
2. Pre-qualified bidders list is the names and addresses of firms/individuals who have submitted all information necessary to certify that they meet requirements to be responsible bidder. All firms/individuals on the list will be sent bid packages automatically.

E. RECEIPT OF BIDS/PROPOSALS

PURPOSE: To establish procedures that will be followed to assure equal treatment to all perspective bidders.

PROCEDURES:

1. Designated Staff

- 1.1. All sealed bids/proposals will be logged into the bid/proposal control sheet.
- 1.2. Each bid will be stamped, dated, time of bid received, initiated by person receiving bid.

2. Executive Director

- 2.1. Bids/proposals will be maintained in a secured location until time of opening.
- 2.2. Return all bids received/submitted after closing date, unopened to bidder including letter of explanation as to the reason it was returned.

F. EVALUATION OF BIDS/PROPOSALS AND CONTRACT AWARDS

PURPOSE: To evaluate the bids/proposals submitted, select the contractor and award the contract.

PROCEDURES:

1. Executive Director

- 1.1. Conduct bid opening (public or private).
- 1.2. Bid amounts for public bid openings (IFB's) will be announced at the opening.
- 1.3. Contracts Office
- 1.4. Schedule meeting of evaluation panel.

2. Evaluation Panel

- 2.1. Evaluate bids/proposals for compliance with all requirements.
- 2.2. Evaluate the responsive bids/proposals based on cost of criteria established in the bid package.
- 2.3. Prepare summary of points/costs for all of the responsive bidders.
- 2.4. Submit the name, the bid amount and justification for selection of the individual/firm selected for contract award to Executive Director for approval.

3. Contracts Officer

- 3.1. Send the notice to contract to selected contractor and secure the following information:
 - 3.2. Certificate of insurance, if applicable.
 - 3.3. Review and approve suppliers list, if applicable.
 - 3.4. Secure a copy of all required licenses, if applicable.
 - 3.5. Certification regarding suspension and debarment from suppliers and subcontractors.
 - 3.6. Verify that the insurance meets requirements, if applicable.
 - 3.7. Secure fully executed contract.
 - 3.8. Provide written notification to unsuccessful bidders.
 - 3.9. Schedule debriefing conference for bidders based on individual requests.

ADDITIONAL INFORMATION:

1. The Personnel Policies provide standards of conduct for employees/officers or agents to avoid conflict of interest.
2. Responsive bidder is a bidder who meets all requirements identified in the bid package.
3. The contract is not awarded at the time of the public bid opening.
4. A sample format for a debriefing conference is as follows (debriefing is only held at the request of the bidder):
5. Schedule date and time of debriefing conferences with unsuccessful contractor.
6. Inform unsuccessful contractor of the following:
 - a. Points for each criterion of unsuccessful contractors bid.
 - b. Dollar amount of successful contractor.

G. PROTEST PROCEDURES

PURPOSE: To provide specific actions which will be taken should a protest be filed by an unsuccessful bidder.

PROCEDURES:

1. Protester

1.1. File a written complaint using the agency specified format within ten (10) working days after notice of rejection.

2. Contracts Officer

2.1. Notify contractor that a complaint of protest has been filed.

3. Executive Director

3.1. Schedule the meeting of protest committee to review complaint.

4. Protest Committee

4.1. Conduct meeting to evaluate protest within ten (10) working days of the filing of the receipt of protest.

4.1.1. Record minutes of evaluation of protest committee meeting.

4.2. Issue a decision to agency Executive Director within five (5) working days of the meeting of the protest committee.

ADDITIONAL INFORMATION:

1. Protest format will contain the following:
 - a. Notice of protest and specific reasons for filing the protest.
 - b. Statement stating this is a protest letter.
 - c. A detailed statement of the grounds for protest.
 - d. A specific request for a ruling by the protest committee and a statement of the relief requested.
***If this information is not furnished, PA'A TAOTAO TANO' may refuse to consider the protest.**
2. Protests must always be provided in writing.
3. The individuals who sit on the protest committee must be identified in writing prior to commencement of all procurement activities.
4. The contracting officer and program director should not be involved in the protest procedures other than to provide technical support to the protest committee

H. RECORDS MANAGEMENT

PURPOSE: To detail the required information that must be maintained in the bid process, contract, and protest (if applicable) to ensure proper documentation.

PROCEDURES:

1. Contracts Officer

- 1.1. Establish and maintain the bid file(s) which includes:
 - 1.1.1. Cost estimate and approval to proceed with the procurement.
 - 1.1.2. Documentation of advertisement.
 - 1.1.3. Bid/proposal package.
 - 1.1.4. List of individuals attending the bidders conference (sign-in sheet).
 - 1.1.5. Minutes of the bidders conference.
 - 1.1.6. List of evaluation panel members.
 - 1.1.7. Bids received.
 - 1.1.8. Summary sheet and work papers.
 - 1.1.9. Rejection letters.
- 1.2. Establish and maintain contractor files that include the following information:
 - 1.2.1. Bid/Proposal
 - 1.2.2. Notice to Contract
 - 1.2.3. Certificate of Insurance
 - 1.2.4. Licenses, if applicable
 - 1.2.5. Payment Requests
 - 1.2.6. Performance Evaluations
 - 1.2.7. Change Order, if applicable
 - 1.2.8. Contract
 - 1.2.9. Certifications
 - 1.2.9.1. Suspension and Debarment
 - 1.2.9.2. Lobbying
 - 1.2.9.3. Drug Free Workplace

2. Executive Director

- 2.1. Protest File
- 2.2. List of protest committee members.
- 2.3. Copy of the protest committee correspondence, meeting minutes, and work papers.

VII. INTERNAL FUND STATUS REPORT

PURPOSE: The report is to provide the Board of Directors, Executive Director, and Program Directors with the information to effectively monitor program expenditures.

PROCEDURES:

1. Fiscal Officer

- 1.1. Prepare a report for each funding source that includes planned budget, actual expenditures for the month, cumulative expenditures, and unobligated balance.
- 1.2. Present reports to Executive Director and appropriate Project Directors by the 15th day of each month.

2. Executive Director/Project Directors

- 2.1. Reviews reports and requests corrections when errors are identified.
- 2.2. Fiscal Officer
- 2.3. Research identified errors and make corrections, as appropriate.

ADDITIONAL INFORMATION:

None at this time

VIII. AUDIT

A. PA'A TAOTAO TANO'

PA'A TAOTAO TANO', Inc. (PA'A TAOTAO TANO') will perform audits annually. The audits will be conducted by an independent Certified Public Account (CPA). They will comply with applicable American Institute of Certified Public Accountants (AICPA) audit guidelines, the U.S. General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "Yellow Book"), and other applicable legal requirements specified in publications such as the following:

1. Non-Governmental Agencies

- a. Guidelines for Financial and Compliance Audits of Federally Assisted Programs (included in OMB Circular A-133).
- b. Cost Principles for non-profit organizations (OMB Circular A 122).
- c. Grants and Agreements with Institutes of Higher Education, Hospitals, and other non-profit organizations - Uniform Administrative Requirements (OMB Circular A-110).

IX. CASH MANAGEMENT

A. CASH ANALYSIS

PURPOSE: The procedure is established to insure that the Pa'a is minimizing the time elapsing between the receipt and disbursement of government funds.

PROCEDURES:

1. Fiscal Officer

1.1. Establish a cash flow projection for each grant and contract operated by Pa'a that receives advances.

1.2. Submit the cash flow projection to the Assistant Director for review and approval.

2. Executive Director

2.1. Review the cash flow projection and make modifications as determined necessary and approve.

3. Fiscal Officer

3.1. Request cash from funding sources based on the analysis and projection of cash needs.

3.2. Reconcile the cash received with the actual disbursement on a monthly basis.

3.3. Revise cash requests based on monthly reconciliations.

FORM:

1. Pa'a Cash Flow Analysis

**ARTICLES OF INCORPORATION
OF
PA'A TAOTAO TANO
A GUAM NONPROFIT CORPORATION**

The undersigned, desiring to become incorporated as a corporation under, and in accordance with the laws of the territory of Guam, and to obtain the benefits conferred by law upon corporation, do hereby mutually agree upon and enter into the following articles of incorporation.

Article 1: Corporate Name

The name of the Corporation shall be: Pa'a TAOTAO TANO

Article 2: Principle Office

The principal and physical address of the corporation shall be No. 317 Pale Duenas Street, Santa Rita, Guam 96915. The mailing address of the corporation shall be: P.O. Box 3503, Hagatna, Guam 96910. There may be subordinate or branch offices in any place or places within or without the territory of Guam as may be deemed necessary or requisite by the board of directors to transact the business of the corporation.

Article 3: Purposes and Powers

Section 1. Primary, Secondary Purposes. The purposes for which the corporation is formed are to:

- a) Perpetuate, memorialize and educate the history, language, and traditions of the Chamorro people and its culture.
- b) Discover, procure, and preserve physical objects that may relate to the history of the Chamorro people and its culture.
- c) Promote, foster, and encourage the marketing and presenting of traditional Chamorro arts.
- d) To own operate and maintain premises within which to set out the purpose stated herein.
- e) Seek grants and contributions and to operate such fund raising activities as will provide the necessary capital to achieve the purposes set out in paragraphs 2(a), (b), (c) and (d) of the articles of incorporation.

Section 2. Powers. The powers of the corporation shall be to:

- a) Own and hold and/or lease, purchase, mortgage, sell or otherwise dispose of in its name personal property or appurtenances and to purchase in its name, lease, mortgage, sell or otherwise divest itself of real property or any interest therein for use in connection with its purposes, all property, both real and personal, to be used or disposed of only in the interest of the corporation and in furtherance of its objectives; and the corporation shall operate as a nonprofit making enterprise; to perform or contract for the performance by others of any work or service deemed necessary or desirable in carrying on or furthering the purposes of the corporation, and in the upkeep, improvement or the preservation of the corporation's property interest.
- b) Promulgate nondiscriminatory rules and regulations governing the rights and activities of its members in their use of the corporation's facilities.
- c) Conduct classes, lectures, demonstrations, performances, and seminars and publish tracts, manuscripts, books, and other forms of medium intended to assist in the goal of preserving, educating and perpetuating the history, language, and traditions of the Chamorro people and its culture.
- d) Carry on all other business not specifically herein above-mentioned and non inconsistent with law in furtherance of the purposes of the corporation set forth in paragraph 3 of these articles.

Article 4: Corporation Succession

The corporation shall have succession by its corporate name for the term of fifty (50) years, and as thereafter extended in the manner provided by law, and it shall have all the powers herein enumerated or implied therefrom and the powers now provided (or which may be hereafter provided) by law for incorporated companies.

This nonprofit shall not issue stock. In the event of dissolution of the corporation, any assets after liabilities have been paid, shall be donated to a nonprofit organization or corporation designated by the directors.

Article 5: Corporate Membership

Section 1. Corporate Membership. The corporation shall originally consist of no less than three (3) no more than seven (7) members of which five of the seven board of directors must be Guam residents. Directors shall subscribe an oath or affirm his or her willingness to support the purposes for which the corporation has been organized. Additional members shall be selected and approved by three-fourths (3/4) majority vote of the board of directors present at a meeting called with that item on the agenda.

Section 2. Term of Office. The members of the corporation shall serve for a term of two (2) years. Thereafter, replacements for other directors shall be selected by three-fourths (3/4) majority vote of the total members present at the meeting.

Section 3. Vacancies. If a vacancy occurs in one of the membership positions the chairman shall select a replacement who shall serve for the remainder of the term of the selectee who was occupying the position that became vacant. If a vacancy occurs in the positions selected by the membership, the remaining members may elect, at a regular or special meeting and by three-fourths (3/4) majority votes of the members present, a successor to serve for the unexpired term of the person occupying the position that became vacant.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any member.

A resignation, to be effective, must be in writing and delivered to the chairman, to the board of directors, or to the secretary of the corporation. Any resignation shall take effect at the date of receipt of the notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 4. Removal of Members. Any member may be removed by a three-fourths (3/4) majority vote of the members whenever, in their judgment, the best interest of the membership shall be served thereby. Any member who has been absent from three (3) consecutive regular meetings of the membership without excuse shall be disqualified from continuing service and the position shall be declared vacant. Absence of three (3) consecutive regular meetings shall be deemed to be a resignation by that member.

Section 5. Incorporator Members. The names and addresses of the incorporator members of the corporation are:

NAME	ADDRESS
Raymond Corry, Director	2810 Manga Street, Beach, Agat, Guam 99615
Christopher Denny, Director	215 Crossroad Street, Piti, Guam 96925
Anthony Varna, Director	36 West Right Lane, Piti, Guam 96925
Richard Blanco, Director	185 Court Street, Yigo, Guam 96929
Sherry Gilmore	128 Beach Street, Mt. Santa Rosa, Yigo, Guam 96929
Jane Reno, Director	10 East Norway, Piti, Guam 96925
Deena Castillo, Director	985 Route 18, Barrigada, Guam 96913
James Tomlin, Director	20 Court Way, Inarajan, Guam 96917

Table 1: Names and Addresses of Incorporated Members

Article 6: Nonprofit Status

The corporation is organized exclusively to be a nonprofit corporation. It shall not issue any stock or other evidence of ownership. No part of its assets, income or earnings shall inure to the benefit of or be distributable to its members, except, that the corporation is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments in furtherance of the purposes set forth in Article Three. No substantial part of the corporation's activities shall be the carrying on of the propaganda or otherwise attempting to influence legislation. The corporation shall not participate in or intervene in any political campaign for public office, including the publishing or distribution of statements. The corporation shall not carry on activities which are not permitted to be carried on by a corporation exempt from Federal Income Tax under Internal Revenue Code Section 510(c)(3), as that section is applicable to the Territory of Guam, or a corporation, contributions to which are deductible under Internal Revenue Code Section 170(c)(2), or the corresponding provisions of any future United States Internal Revenue laws, as they may be applicable to the Territory of Guam. In the event that the Territory of Guam enacts its own tax code, separate from the United States Internal Revenue Code, the corporation shall not carry on activities that are not permitted to be carried on by a corporation eligible for grants from the National Endowment for Humanities and shall maintain its nonprofit status.

Article 7: Amendment of Articles of Incorporation

The affirmative vote of the holders of two thirds (2/3) of the members shall be required to effect any proposed amendments to the articles of incorporation, except as otherwise affirmatively provided by law or by these articles of incorporation.

Article 8: Officers

The offices of the corporation shall be a chairman, vice-chairman, secretary, and a treasurer. All offices must be residents of Guam. The corporation may have the additional offices that may be determined in accordance with the bylaws from time to time. The officers shall have the powers, perform the duties, and be appointed as may be determined in accordance with the bylaws. Any person may hold two (2) or more offices of the corporation, is so provided by the bylaws, provided, not officer may hold an office for more than two (2) consecutive years.

Article 9: Board of Directors

The board of directors shall consist of the number of persons, not less than three (3) and not more than seven (7), that shall be determined in accordance with the bylaws from time to time; provided, that the number of directors may be increased to as many as eleven (11) by the formal assent of a majority of the members. The directors (and alternated directors or substitute directors, if any) shall be elected or appointed in the

manner provided by the bylaws, and all vacancies in the office or director or any officer shall be filled in the manner provided for in the bylaws.

- a) Powers of the Directors. The directors shall have full control and management of the affairs, business and property of the corporation.
- b) Reduction of directors. Subject to Section 310 of the Civil Code of Guam, no reduction of the number of directors shall have the effect of removing any director prior to the expiration of that director’s term of office.
- c) Direction of Purpose and Exercise of Power by Directors. The board of directors, subject to any specific written limitation, any restriction imposed by law, or by these articles of incorporation, shall direct the carrying out of the purposes and exercise the powers of the corporation without previous authorization or subsequent approval by the shareholders of the corporation.
- d) Initial board of directors. The initial board of directors shall consist of three (3) members, each of whom shall be a resident of the Territory of Guam, and who shall serve as directors until the first annual meeting of members or until their successors shall have been elected and qualified. At the first meeting of the initial board of directors, the number of the board of directors shall be expanded o include all the members of the corporation. The names and addresses of the initial board of directors are:

NAME	ADDRESS
Raymond Corry, Director	2810 Manga Street, Beach, Agat, Guam 99615
Christopher Denny, Director	215 Crossroad Street, Piti, Guam 96925
Anthony Varna, Director	36 West Right Lane, Piti, Guam 96925
Richard Blanco, Director	185 Court Street, Yigo, Guam 96929
Sherry Gilmore	128 Beach Street, Mt. Santa Rosa, Yigo, Guam 96929
Jane Reno, Director	10 East Norway, Piti, Guam 96925
Deena Castillo, Director	985 Route 18, Barrigada, Guam 96913
James Tomlin, Director	20 Court Way, Inarajan, Guam 96917

Table 2: Board of Directors

Article 10: Adoption and Amendment of Bylaws

Bylaws may be adopted or existing bylaws repealed or amended, only at a members’ meeting called for that purpose, by a vote of the members entitled to exercise a majority of the voting power of the corporation, or by written assent of such members.

Article 11: Service of Process

Service of legal process may be made upon the corporation in the manner provided by law.

Article 12: Limitation of Liability

The property of the corporation alone shall be liable for its debts and the members and officers shall incur no personal liability for corporate debts by reason of their membership or position.

Article 13: Distribution in Event of Dissolution

In the event of dissolution of the corporation, the board of directors shall, or if there is no board of directors, the members shall, after paying or making provision for payment of all liabilities of the corporation, dispose of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organizations organized and operated exclusively for educational purposes as at the time qualify as exempt organizations under Internal Revenue Code, Section 501(c)(3), or the corresponding provisions of any future United States Internal Revenue Laws, as they may be applicable to the territory of Guam. Any of such assets not so disposed of shall be distributed by the Superior Court of Guam for the above purposes, or to such organizations which are organized and operated for such purposes as the court determines.

IN WITNESS WHEREOF, the undersigned have sworn to execute the terms of the Articles of incorporation of the Pa'a Taotao Tano on this ____ day of _____, 2001.

Raymond Corry

Christopher Denny

Anthony Varna

Richard Blanco

Sherry Gilmore

Jane Reno

Deena Castillo

James Tomlin

ATTESTED TO:

Temporary Secretary

CITY OF _____)

(ss:

HAGATNA, GUAM)

On this ____ day of _____, 2001, before me, Raymond Corry, Christopher Denny, Anthony Varna, Richard Blanco, Sherry Gilmore, Jane Reno, Deena Castillo, James Tomlin undersigned, personally appeared the people names above known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledges to me that they executive the same as their free and voluntary act and deed for the purposes and uses therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day year first above written.

NOTARY PUBLIC

CERTIFICATE OF THE SECRETARY
OF
Pa'a TAOTAO TANO

A Guam Nonprofit Corporation

I, _____, being first duly sworn and under oath, depose and say: That I am the
duly elected Secretary of Pa'a TAOTAO TANO, a nonprofit corporation, and that I am a
resident of Guam, having a residence address of _____,
Guam 96925.

Dated this ___ day of _____, 2001

Signature

SUBSCRIBED AND SWORN to before me on the ___ day of _____, 2001 by ___

NORTARY PUBLIC

**BY LAWS OF
Pa'a TAOTAO TANO**

A GUAM Non-Profit Corporation

Article 1: Members' Meeting

Section 1. Place of Meetings.

Any or all meetings of the members and of the board of directors of this corporation may be held at the office of the corporation within the Territory of Guam or as may be designated for that purpose from time to time by the board of directors.

Section 2. Annual Meetings.

The annual meeting of members held on a date and time to be set by the board at their meeting in September of each year, at which time, the members shall elect the board of directors, consider reports of the affairs of the corporation, and transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings.

Special meetings of the members, other than those regulated by statute, for any purpose or purposes whatsoever, may be called at any time by a majority vote of the board of directors or by at least (3) of the members of the corporation or by the chairperson.

Section 4. Notice of Meetings.

Written notices of meetings, annual or special, if required, shall be given to members entitled to vote by the secretary or assistant secretary, or if there be no such officer, or in case of his neglect or refusal to act, by any director or member.

Such notices shall be delivered to the members' address appearing on the books of the corporation, or supplied by them to the corporation for the purpose of notice, not less than ten (10) days before such meeting.

Notices of any meeting of members shall specify the place, the day and the hour of meeting, and in case of a special meeting, the general nature of the business to be transacted.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in case of an original meeting. Save, as aforesaid, it shall

not be necessary to give any notice of the adjournment meeting other than by announcement at the meeting at which such adjournment is taken.

Section 5. Consent to Members' Meetings.

Actions at meetings of members, however, called and noticed, shall be valid as though had a meeting duly held after regular call and notice, if a quorum be present, either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approval shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Members Acting Without Meeting.

Any action which may be taken at a meeting of the members may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose, and filed with the secretary of the corporation.

Section 7. Quorum.

A majority of the members entitled to vote thereat, present in person or by proxy, shall be necessary to constitute a quorum for the transaction of business at all meetings of the members except as otherwise provided by law, by the articles of incorporation, or by these bylaws. If, however, such majority shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting from time to time, until the requisite number of voting members shall be present. At such adjourned meeting at which the requisite number of members be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 8. Voting Rights.

Only those members in whose names stand on the records of the corporation on the day of any meeting of members shall be entitled to vote at such meeting, provided, however, that is some other day be fixed by the board of directors for the determination of members of record, then on such other day.

Every member is entitled to one vote.

Section 9. Proxies.

Every member entitled to vote may do so, either in person or by written proxy, executed in accordance with the provisions of the laws of Guam, and filed with the secretary of the corporation.

Section 10. Qualification and Conditions of Membership.

- The corporation shall have one (1) class of members and the property, voting, and other rights, interests, and privileges of each member shall be equal.
- All members who qualify pursuant to Article Five of the articles of incorporation are eligible to be members of this corporation.
- Applicants shall be admitted to membership on application to and acceptance by the board of directors.

Section 11. Fees, Dues and Assessments.

There shall be not fees for application for membership, no annual dues, and the membership are non-assessable.

Section 12. Membership Record.

The corporation shall not issue membership certificates but shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book together with the date on which such membership ceased. Such book shall be available for inspection by the directors and other members of the corporation.

Section 13. Number of Members.

There will be an unlimited number of members of the corporation.

Section 14. Non-Liability of Members.

No member of this corporation shall be personally liable for the debts, liabilities, or obligations of the corporation.

Section 15. Transferability of Membership.

Membership in this corporation is non-transferrable and non-assignable.

Section 16. Removal of Members.

Any member may be removed by a three-fourths (3/4) majority vote of the members present at a meeting with that item on the agenda whenever, in their judgment, the best interest of the membership shall be served thereby. Any member who has been absent from three (3) consecutive regular meetings of the membership without excuse shall be disqualified from continuing service and the position shall be

declared vacant. Absence of three (3) consecutive regular meetings shall be deemed to be resignation by that member

Article 2: Directors: Management

Section 1. Powers.

Subject to the limitation of the articles of incorporation, the bylaws and the laws of Guam, as to action to be authorized or approved by the members, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by a board of directors.

Section 2. Number of Qualification.

There shall be three (3) to seven (7) members of the board of directors. All of the directors will initially be selected by the incorporator members. Thereafter, replacements for the other directors shall be selected by the sitting members by a three-fourths (3/4) majority vote of the total membership present at a meeting with the item on the agenda.

Section 3. Election and Tenure of Office.

The directors shall be elected by three-fourths (3/4) majority vote of the members present at the annual meeting of the members or at a regular or special meeting with that item on the agenda. The term of office of each new director shall begin immediately after the election and each new director shall serve for an initial term of two (2) years.

Section 4. Vacancies.

- Vacancies in the board of directors shall exist on the death, resignation, or removal of any director; whenever the number of directors authorized is increased; and on failure of the members in any election to elect the full number of directors authorized.
- When a vacancy occurs, the vacancy shall be filled by election at a special members' meeting with that item on the agenda.
- A person elected director to fill a vacancy shall hold office for the unexpired term of his predecessor.

Section 5. Removal of Directors.

The entire Board of Directors or any individual director may be removed from office as provided by 18 G.C.A. §2209. After notification, by the executive director, any director who has been absent from three (3) consecutive regular meetings of the directors without excuse may be disqualified from continuing service and the position

may be declared vacant. Absence from three (3) consecutive regular meetings may be deemed to be a resignation by that director.

Section 6. Meetings.

The board of directors may meet at any place designated by them for a meeting in Guam. The annual meeting of the board of directors shall be held immediately following the adjournment of the annual meeting of the members.

Regular meetings of the board of directors shall be held at such times as are fixed from time to time by resolution of the executive committee or by the chairman or by resolution of the board.

Notice need not be given of regular meetings of the board of directors held at times fixed by resolution of the board.

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman or if he is absent or unable or refuses to act, by any vice-chairman or by any three (3) categories.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or by facsimile, addressed to them at their address as they are shown upon the records of the corporation, or if they are not shown on such records or is not readily ascertainable, then by a notice published in a daily newspaper published in Guam at last forty-eight (48) hours before the meeting. In case such notice is mailed or sent by facsimile, it shall be deposited in the United States mail at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered personally, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the secretary of the corporation, any business may be transacted which might have been transacted if the meeting had been duly called and noticed.

Section 7. Directors Acting Without a Meeting.

Any action which may be taken at a meeting of the directors' may be taken without a meeting if authorized in writing signed by all of the directors who would be entitled to vote a meeting for such purpose, and filed with the secretary of the corporation. All action taken without a meeting must be by a unanimous vote.

Section 8. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 9. Quorum.

A majority of the number of directors as fixed by the articles or bylaws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 10. Non-Liability of Directors.

The directors shall not be personally liable for debts, liabilities or other obligations of the corporation.

Article 3: Officers

Section 1. Officers.

The officers of the corporation shall be a chairman who shall be a director, vice-chairman and a secretary and a treasurer, all of whom shall be residents of Guam. The corporation may also have, at the discretion of the board of directors, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Any member may serve as an officer, but officers need not be members. A person may hold two (2) or more offices of the corporation.

Section 2. Elections.

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this article shall be chosen annually by the board of directors, and each shall hold his office until he shall resign or shall be removed or otherwise be disqualified to serve, or until his successor shall be elected and qualified.

Section 3. Subordinate Officers, etc.

The board of directors may appoint such other officers as the business of the corporation may require, each of who shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the board of directors may from time to time determine.

Section 4. Removal and Resignation.

Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the board, or

except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the board of directors or to the chairman, or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified there, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the bylaws for regular appointment to such office.

Section 6. Chairman of the Board.

The chairman of the board shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the members and at all meetings of the board of directors. He shall be ex-officio member of all the standing committees, if any, and shall have the general powers and duties of management usually vested in the office of the president or chairman of the board of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

Section 7. Vice-Chairman.

In the absence or disability of the chairman, the vice-chairman in order of their rank as fixed by the board of directors, or if not ranked, the vice-chairman designated by the board of directors, shall perform all the duties of the chairman, and when so acting, shall have all the powers of, and be subject to, all the restrictions upon, the chairman. The vice-chairman shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or by the bylaws.

Section 8. Secretary.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the board of directors may order, of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meeting, the number of members present or represented at members' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office of the corporation a membership register showing the names of the members and their addresses.

The secretary shall give, or cause to be given, notice of all the meetings of the members and of the board of directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

Section 9. Treasurer.

The treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all reasonable time be open to inspection by any member.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of director. He shall disburse the funds of the corporation as may be ordered by the board of directors, shall report to the chairman and directors, whenever they request it, on account of all his transactions as treasurer and of the financial condition of the corporation, and shall have any other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

Article 4: Executive and Other Committees

The board of directors shall appoint an executive committee, consisting of the chair, immediate past chair, vice-chair(s), secretary, treasurer, and executive director, and may appoint any other committees as may be necessary from time to time with the powers that it may designate, consistent with the articles of incorporation and bylaws and the laws of Guam. The members shall hold office at the pleasure of the board. The executive committee shall conduct the business of the corporation between meetings of the board of directors; provided that their actions must be ratified at the next board of directors meeting.

Article 5: Executive Director

The board of directors shall hire an executive director to manage the daily affairs of the corporation and the board of directors. The executive director is the executive secretary of the corporation and board of directors and shall be present at all

meetings of the board. The executive director is not an officer of the corporation and shall take direction from the board of directors.

Article 6. Corporate Records and Reports - Inspection

Section 1. Records.

The corporation shall maintain adequate and correct accounts, books and records of its business and properties. All of such books, records and account shall be kept at its principle place of business in Guam, a fixed by the board of directors from time to time.

Section 2. Inspection of Books and Records.

All books and records provided for in 18 G.C.A. §4201 shall be open to inspection of the directors and other members from time to time and in the manner provided in said 18 G.C.A. §4202.

Section 3. Certification and Inspection of Bylaws.

The original or a copy of these By-laws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members of the Corporation, as provided in 19 G.C.A. §2201.

Section 4. Checks, Drafts, Etc. – How Executed.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the board of directors unless otherwise provided in the bylaws.

Section 5. Contracts, etc. How Executed.

The board of directors, except as otherwise provided in the bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the board of directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount provided. See Article IX Section 2 of the bylaws.

Section 6. Annual Report.

The directors shall cause to be sent to the members, not later than one hundred twenty (120) days after the close of the fiscal year, a balance sheet as of the fiscal year, a balance sheet as of the closing date of such year, together with a statement of income and profit and loss for such year. These financial statements shall be certified to by the chairman, secretary, treasurer or a public accountant.

Article 7: Corporate Seal

The corporate seal shall be circular in form, and shall have inscribed thereon the name of the corporation, the date of its incorporation, and the word "Guam."

Article 8

Section 1. By Members.

These bylaws may be altered, amended, repealed, or added to by the members at their annual meeting, or at any other meeting of the members called for that purpose, by a vote of the members entitled to exercise a majority of the voting power of the corporation, or by written assent of such members.

Section 2. Record of Amendments.

Whenever an amendment or new bylaw is adopted, it shall be copied in the book of bylaws with the original bylaws, in the appropriate place. If any bylaw is repealed, the fact of repeal with the date of the meeting at which was enacted or written assent was filed shall be stated in said book.

Article 9

Section 1. Dealing with the Corporation.

Conflicts of Interest. The Council shall adopt a conflict of interest policy and provide for its implementation.

Section 2. Execution of Instruments.

All checks and other orders for the payment of money, drafts, notes, bonds, acceptances, contracts, and all other instruments, except as otherwise provided by these bylaws, shall be signed by the two (2) officers of the corporation for all amounts. A financial status report will be provided at all regular meetings of the board of directors.

Section 3. Auditor.

The members, at the annual meeting or any special meeting called for the purpose, shall appoint a person, firm or corporation engaged in the field of public accounting to act as auditor of the corporation. No member shall be eligible to serve as auditor of the corporation. The auditor shall, at least once in each fiscal year, and more often if required by the members, examine the books and papers of the corporation and compare the statements of the treasurer with the books and vouchers of the corporation, and otherwise make an audit of the books of the corporation, and thereafter make appropriate reports.

Section 4. Fiscal Year.

The fiscal year of the corporation shall be from November 1 to October 31 of the following year.

Section 5. Construction and Definitions.

Unless the context otherwise requires, the general provision, rules of construction and definitions contained in the statutes of Guam relating to corporations shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and the neuter, the singular number includes the plural and the plural number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

