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Assistant House Manager

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Honors
**CHAPCA's 2010 Outstanding
Program of the Year Award**

March 20, 2013

Debbie Cloud, Executive Director
St. Francis Foundation
2323 De La Vina Street, Suite 104
Santa Barbara, CA. 93105

Dear Debbie,

We respectfully submit our application to the St. Francis Foundation.

We must note, first of all, the generosity and support of your foundation over many years now. You are a major funder for us. We are grateful that Mr. Andre Andreoli specified his desire to support end-of-life care.

May we draw attention to a few notes? The first is that after some years of supporting our operations by drawing from our own Endowment funds, we have made several changes to our annual budget. Chief among these changes were significant reductions in administration roles and salaries. (There have been no more Endowment draws.) Thus, our current budget (FY 2012) has been reduced by \$200,000. We will hold to this budget for next year also. We believe this to be a realistic and, with the help of generous funders such as St. Francis, attainable. So far (March, 2013) it has indicated that it is.

Secondly, while we have no plans for expansion or a new program, our work continues. Almost every night, our eight bedrooms are full. Almost every day we provide eight Santa Barbarans, all poor, with a good life. We also give them the best of care, promising that the end of their lives will be a time of comfort and deep affection. This year and the next we expect that between fifty and sixty men and women will die in our home. We will mourn each as a friend and then welcome another.

Because social model homes such as Sarah House, though economical to operate, do not receive federal funding such as Medicare, we must rely on foundations like yourselves whose funding interests are congruent with our work. We are working very hard to find individuals who will also become significant contributors.

We have done our best to give a clear accounting for our work in the grant application. We can only hope you find it compelling and worthy of your consideration. Thanks you.

Gratefully,



Debbie McQuade

for the Residents and Staff and Board of Directors of Sarah House

The Foundation Roundtable: Common Grant Application

Cover Sheet

Foundation you are applying to: St. Francis Foundation
Legal Name of Applicant Organization: Sarah House Santa Barbara
Project Name (if applicable):
Funds will pay for: Resident Assistants' (Caregivers) salaries, taxes and benefits
Full Mailing Address: P.O. Box 20031; Santa Barbara, CA., 93120
Location(s) if different from above: 2612 Modoc Road; Santa Barbara, CA., 93105
Executive Director: Deborah J. McQuade
Phone: 805.682.1515 Fax: 805.563.4761
Email: deborahjmcquade@gmail.com Website: www.sarahhousesb.org
Contact Person & Title: Deborah McQuade Phone: 805.682.1515

Tax-exempt Status:(Most foundations require 501(c)(3) status. You must check this requirement before applying.)

501(c)(3) Granted [x] Tax I.D. Number: 77-0224415 Other:

Type of Request: Check with individual foundations to determine the types of accepted grant requests.

General Support [x] Program Support [x] Seed Funding [] Research []

Capital [] Endowment [] Multi-Year [] Other:

This Grant Request: \$65,000 Total Project Budget: \$750,100

Grant Period from: 7.1.2013 To: 6.30.2014

Total Organizational Budget for Current Year: \$750,100 Fiscal year begins: July 1

Summarize the organization's mission statement (two to three sentences):

Guided by the principle of "extraordinary kindness," Sarah House Santa Barbara provides a home and end-of-life care to Santa Barbara people of low-income, including the HIV+. Additionally, it offers comfort and assistance to their grieving families.

Summarize your grant request (two to three sentences):

We respectfully request funding for the support of our caregivers' (called Resident Assistants) wages. These are the staff members who provide skillful care and generous compassion to our residents, making all the difference in their lives and deaths. Retaining qualified and dedicated staff is central and crucial to our work.

Proposal Authorization

We certify that the information in this application is to the best of our knowledge true and accurate and is submitted with our Board of Directors'/Governing Body's full knowledge and endorsement:

Richard Knowles, Board President 3.15.2013
Signature Name & Title of Authorized Board/Governing Body Representative Date

Signature Name & Title of Authorized Board/Governing Body Representative Date

Background:

1.Your organization's history and accomplishments. In 1991, Alice Heath (75 years old) addressed the growing AIDS crisis in Santa Barbara by founding Heath House where HIV+ residents were skillfully and lovingly cared for. In 1994, Sarah Shoresman (85) furthered this effort by funding Sarah House, a needed second home. As new medications slowed the AIDS crisis, our organization responded by sponsoring State-wide legislation allowing both social and residential hospice care for all people, not just those HIV+. Thus, over 22 years, we have cared for 1200 low-income and homeless people of Santa Barbara. Our greatest accomplishment has been to offer the poor in our community the opportunity for a good death.

2.Your current programs and activities: constituency, demographics, involvement, benefits: We continue today our beginning work: *Simply stated, people who are in the last weeks of their lives knock on our front door; we skillfully care for them while a mutual deep affection develops; and then they die.* The Sarah House property was given to us by the City of Santa Barbara Housing Authority and is part of the city low-income housing stock. Hence, Sarah House residents must be low income. Rather than be a hindrance, though, this is a welcome restriction. Caring for the poor is central to our vision. We are resolved to provide an exceptional end-of-life home for the poor of Santa Barbara,, offering them compassionate care and comfort in their final weeks. Eventually, of course, we continue to use our skills and kindness to insure that each of our residents has "a good death." Annually, we provide end-of-life care for approximately 60 residents. Of these, about 20% will be veterans; 60% will be women; 65%, elderly; 15%, previously homeless...Our residents themselves, along with staff and volunteers and families and friends, form a real community of people who support one another at life's end. Our residents, supported by Sarah House, contribute to the creation of this "family" and mutual sustenance. Our residents participate in our efforts to provide care for them. Anyhow who joins us for an evening meal would see immediate evidence of this.

3.Your organizations relationships with and differences from similar organizations? We work collaboratively with: Visiting Nurse and Hospice Care of Santa Barbara, Assisted Home Health and Hospice, Santa Barbara Health Care Systems, Hospice of Santa Barbara, Parish Nurses Program, Casa Esperanza, St. Brigid's Ministry, Public Health Department of Santa Barbara, The Alliance for Living and Dying Well, Doctors Without Walls, C3H. While not formal, our collaborations are frequent and mutual; some are daily. All of these organizations and ministries are positioned on some point of the Continuum of Care, providing for the needs of the dying.

Our own point on that continuum is our work providing end-of-life care for the dying poor. We are dedicated to hospice work specifically for the poorest amongst us. We are committed to the care of people who have few or even no options. We want them, as do others with more resources, to have a place to be cared for where their final weeks of life will be comfortable and peaceful. We want their hospice care to be carried out by a dedicated and well-trained staff. We want them to know that their lives and their deaths *matter*. We want them to have a good death. We are especially dedicated to the homeless of our community. All the Santa Barbara professionals and gate-keepers know to call Sarah House if someone from the streets/a shelter/a vehicle needs hospice care. We have had remarkable success as well as satisfaction helping homeless people, many of who also have drug and alcohol and mental health issues. Repeatedly we have seen that what we call "extraordinary kindness" has overcome many challenges and that, despite a hard life, a good death can still be had.

Funding Request:

1. What need or problem does your project address? We work to respond to the end-of-life needs of the dying poor of the Santa Barbara community. Specifically, we assure them of their own bedroom in a beautiful home; those important meals and snacks tailored to their needs and desires; medical case management from allied agencies; spiritual support; assistance with daily needs from well-trained staff; and above all true friendship from our caregivers who will make certain that they know that their lives and deaths *matter*. None need die in a hospital room, an apartment, a shelter or on the streets in physical or emotional isolation.

2. In a short paragraph, tell us your organization's goals and specific outcomes for the grant period.

We often say that in truth, we are doing the same things we began doing in July of 1991: people come through our front door, we love them, and then they die. We expect about 60 of these folks during this year. All will be low-income. At least 15% will have been homeless. Approximately 20% will be veterans. We will give to each, as one family member said recently, the "best care that money can't buy." This is our Mission.

3. Describe your project including new/ongoing/expansion; target audience; activities/strategies to meet outcomes; general outcomes.

Our project is uniquely ongoing for the self-evident reason that a.) everyone dies and b.) so far "the poor we always have with us." Until there is a change in one of these truths, our work continues. Our target audience is the low-income population of Santa Barbara, always with special attention to the homeless. We make weekly contacts with Doctors Without Walls who serve the homeless and sick. We are scheduling presentations with the Veteran's Clinics to assure that low-income and homeless vets do not die without care and comfort. In a further strivings to reach the poor through those who already service them, we are currently preparing a presentation for Parish Nurses. Our timeline in all of our work and contacts is current, ongoing, 24/7/365.

4. If this is a General Support Request, what is your most pressing need? Our request is for General Support. Our most pressing need is the support for the wages of our invaluable caregivers. Everyone who works at the House, including the administration, makes approximately \$20/hr. Clearly, the motivation for the work of the staff is the service they provide rather than financial remuneration. The caregivers are the real and visual hands and feet of our work. The caregivers are the hand-holders, the medicine-givers, the enchilada-bakers, the bathers. The caregivers comfort and soothe and laugh and cry. Without the caregivers, there would not be a Sarah House. Thus, retaining and paying our caregivers is our most pressing need. It is also our biggest budget item.

5. How do you intend to evaluate the project? Community Care Licensing (Department of Social Services, State of California) is our formal evaluator. Long Term Ombudsman visit monthly, speaking with each resident. The assigned palliative care doctor, Dennis Baker, comes weekly and meets with Staff. The Nurse Case Managers come daily to review and evaluate Individual Plans of Care. Additionally, each family receives a survey letter after the death of their family member.

6. Summarize the Qualifications of Key Staff/Volunteers:

Along with the dedicated Board of Directors, headed by Rick Knowles, the following people are chief in charge of carrying out the mission on Sarah House:

Debbie McQuade, MA, now is the Executive Director after serving 22 years as the House manager. She has been with Sarah House since 1991, and considers it her life's work. Her Master's practicum in 2003 inspired the expansion of services beyond HIV/AIDS care to care of the dying poor no matter what their diagnosis. Her life is dedicated to the Sarah House residents, their families, staff and volunteers.

Stephen Jones, PhD, first came to Sarah House as a volunteer in 2005, became a full-time employee in 2007, Assistant House Manager in 2009 and then House Manager in 2012. He is responsible for the daily activities and operation of the House and its many residents, staff and volunteers. He recently received his Doctorate in Depth Psychology from Pacifica Graduate Institute and submitted a well-received thesis entitled, "Sarah House: The Medicine We Carry."

Under the direction of the House Manager all eleven **Resident Assistant/Caregivers** are responsible for assisting with the daily care and comfort of the residents, ensuring their well-being and the general safety of the House itself. The most important rule remains – *at all times* – to act with extraordinary kindness.

7. If full funding is not available, what are contingency plans or possible modification? We write grant applications constantly and consistently, searching for new long-term funders as well as ever more successful ways to identify and explain our work. We are currently involved in an organized campaign to educate the people of Santa Barbara and particularly the philanthropic community. We want them to know who we are and whom we serve; we want them to understand why we do what we do. This campaign will be followed by a Sarah House Anniversary event to which we hope to invite and cultivate new giving friends. Of course, we cannot and would not abandon our mission because of unavailable funding from any single funding entity. Unavailable funding, though, would be a cause for concern and added work; however we would have no choice but to plot a way forward. Over the last year, we have reduced the Sarah House organizational expenses of our budget by a significant **\$200,000**. There are currently no other areas in which to make further reductions without also reducing our services.

As always, we want to end with a story: *Fragile from advanced lung disease, Alice moved slowly through Sarah House with her oxygen tank in tow. "Don't worry," she would laugh breathlessly. "This is nothing." All the Community Outreach Workers knew Alice. She had been living in her dilapidated car and on the streets for the past four years. Billy, Alice's 48 year old nephew, also lived in that little car. Although he may well have loved his aunt, he also helped himself to her medications and social security checks, both leading to endless stress and arguments.*

Life changed drastically for Alice after she received the news that she was in the last stage of lung cancer. At 68, Alice had no money and no home to go to for her final days. Thankfully, a caring social worker referred Alice to Sarah House. The bright and loving environment was a far cry from the cramped and dysfunctional space of the front seat of her car.

With the old stresses of homeless life behind her, Alice began to thrive at Sarah House. Yes, she was now dying, but in a different way, she started to be reborn. She soon took up knitting, something she had loved as a child. She knitted blankets and caps and shawls. All of her new friends at Sarah House

received a gift from her craft. Then one day, in the middle of knitting, Alice put down her needles and went to sleep. Two days later, she died with a smile on her face and, we believe, a peace in her heart. Alice had what we at Sarah House would call "a good death."

Dear St. Francis Foundation, thank you for all of your help over the years. We hope you are moved to help us again this year.

The Foundation Roundtable: Common Grant Application

Project Budget

Note: Check with each foundation to see if this form is required.

Organization Name: Sarah House Santa Barbara

Name of Project (if different): _____

Budget dates for grant period: July 1, 2013 to June 30, 2014

INCOME

Possible categories: Government grants, foundation grants, individuals, business support, events, fees for service, etc.

Source	Total Project (\$)	Pending (\$)	Secured (\$)	Notes
Government Grants	110000	70000	40000	FY 2013 (Restricted)
Foundation Grants	320000	Unknown	30000	1.2013 to 12.2013 (Restricted)
Private Donations	100000	100000		Based on normal donations
Events	60000	60000		Based on previous Fundraiser
Rents and Subsidies	118500	120000		Based on normal occupancy
Investment Income	42000	50000		Based on recent investment policy
Other				
TOTAL INCOME	750500	400000	70000	All projections for FY 2013

List the In-Kind (non-cash) contributions: _____

EXPENSES

Possible categories: Salaries, professional fees, rent and utilities, travel, publicity/outreach, events, capital items, etc.

Item	Total Project (\$)	This Request (\$)	Notes
Employee Payroll	550000	65000	Includes Benefits
Fundraising	37400		Includes Grant Writing
Heath House Exp.	9600		
Insurance	7000		
Office Expenses	6000		
Operating Expense	5000		
Professional fees	21500		
Property Expenses	10000		
Sarah House	28400		Food and Supplies
Scattered Site	12000		
Depreciation	32000		Includes Investment Expense
Utilities	31000		
TOTAL EXPENSES	749900	65000	

The Foundation Roundtable: Common Grant Application

Organization Financial Summary

Note: Check with each foundation to see if this form is required.

Organization Name: Sarah House Santa Barbara Fiscal Year Dates: July 1, 2012 to June 30, 2013

INCOME

Possible categories: Government grants, foundation grants, individuals, business support, events, fees for service, etc.

Source	Prior Year's Actual	Projected Annual Budget (\$)	YTD Actual (\$) as of [3/4/13]
Government Grants	119136	110000	47909
Foundation Grants	325631	320000	195930
Private Donations	89133	100000	79928
Events	122619	60000	60279
Rents and Subsidies	147976	118500	86233
Investment Income		42000	42313
TOTAL INCOME	656519	750500	512592

List the In-Kind (non-cash) contributions: _____

EXPENSES

Possible categories: Salaries, professional fees, rent and utilities, travel, publicity/outreach, events, etc.

Item	Prior Year's Actual	Annual Budget (\$)	YTD Actual (\$) as of [3/4/12]
Employee Payroll	579698	416000	264370.
Payroll-Based Expense	166136	134000	81392
Fundraising/Grant Writing	34603	37400	28841
Heath House Expense	9600	9600	6686
Insurance	5402	7000	5443
Professional Fees	13137	21500	37934
Sarah House Property Expense	41974	10000	6302
Sarah House Expense	45387	59000	28544
Scattered Site Expense	14902	12200	9135
Office Expenses	21234.	11000	4015
Depreciation/Investment Expense		32000	8448
TOTAL EXPENSE	932073	749700	481110
NET PROFIT OR LOSS	-275554	+800	+31482

Total Capital Expenses			
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i.e., computers, vehicles, building improvements, etc.:

Notes:

FY 2011 ended with many financial changes for our organization. FY 2012 is right on target with our income matching our expenses. Several foundations, including your own, funded us generously through FY 2012. We are asking for continued support from St. Francis as we work to identify new sources of long-term support.

Sarah House Santa Barbara Balance Sheet

As of January 31, 2013

	As of Jan 31, 2013
ASSETS	
Current Assets	
Bank Accounts	
Bank of Montecito 191 031075	140,004
Grants Receivable	28,253
Other Current Assets	
Employee Advances	168
Prepaid Expenses	0
Prepaid Insurance	0
Prepaid Rent - Deposits	0
Workers Compensation Insurance	0
Deposit Event	550
Undeposited Funds	(400)
Other Current Assets	318
Fixed Assets	
Fixed Assets	
Building	
Heath House	132,341
Sarah House	557,748
Total Building	690,088
Equipment	
Administration	16,888
Sarah House	1,523
Total Equipment	18,411
Furniture	913
Sarah House	46,689
Total Furniture	47,601
Improvements	
Heath House	171,124
Sarah House	35,136
Total Improvements	206,259
Land	
Heath House	327,845
Sarah House	197,030
Total Land	524,875
Vehicle	0
Honda Van	20,480
Total Vehicle	20,480
Total Accum Depreciation	(561,228)
Total Fixed Assets	946,487
Other Assets	
MBBT CHRP Res 192077850	7,121

St CA Replacement 1719-764	19,339
Investments	
Morgan Stanley	684,801
Note Receivable from Unrestricted net Assets to Endowment	132,376
Total Other Assets	<u>843,636</u>
TOTAL ASSETS	<u>1,958,698</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Current Liabilities	
Accounts Payable	(36)
Accrued Payroll	19,226
Accrued Vacation	7,521
CA SUI / ETT	1,509
Payroll Tax Liabilities	2,239
Simple IRA Payable	783
Rent Deposits Payable-Wilbridge	3,600
Total Current Liabilities	<u>34,843</u>
Long-Term Liabilities	
Note Payable from Unrestricted to Endowment	132,376
Note Payable State of CA	320,000
Accrued Interest State of CA	152,922
Total Long-Term Liabilities	<u>605,298</u>
Total Liabilities	640,141
Net Assets	
Net Assets Permanently Restricted	650,043
Net Assets-Unrestricted	<u>668,515</u>
Total Net Assets	<u>1,318,558</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,958,699</u>

Sarah House
Morgan Stanley Account
1/1/11 through Present

Date	Beginning Balance	Withdrawals	Contribution to Margin	Trf from Republic	Income Net of Investment Fees	Gains/ losses	Ending Balance	
7/31/2010	366,358.27				344.43	28,040.16	394,742.86	
8/31/2010	394,742.86				232.98	(16,498.46)	378,477.38	
9/30/2010	378,477.38				532.70	33,889.47	412,899.55	
10/31/2010	412,899.55				351.95	12,698.11	425,949.61	
11/30/2010	425,949.61				289.59	(4,894.64)	421,344.56	
12/31/2010	421,344.56				2,809.53	26,518.83	450,672.92	
Jan-Feb 2010	450,672.92			526,103.48	409.03	21,708.79	998,894.22	
3/31/2011	998,894.22				1,353.31	7,760.09	1,008,007.62	
4/30/2011	1,008,007.62				896.51	18,839.82	1,027,743.95	
5/31/2011	1,027,743.95				937.69	(15,030.58)	1,013,651.06	
6/30/2011	1,013,651.06	(23,000.00)			3,403.95	(12,925.20)	981,129.81	
12/31/2011		(23,000.00)		526,103.48	7,000.49	20,352.92		
7/31/2011	981,129.81	(68,500.00)			910.34	(4,495.99)	909,044.16	
8/31/2011	909,044.16	(10,000.00)			901.96	(24,722.62)	875,223.50	
9/30/2011	875,223.50	(60,000.00)			953.19	(39,792.04)	776,384.65	
10/31/2011	776,384.65				751.61	26,501.68	803,637.94	
11/30/2011	803,637.94		35,000.00		681.20	(5,600.84)	833,718.30	
12/31/2011	833,718.30				3,140.95	(4,224.42)	832,634.83	
1/31/2012	832,634.83				624.96	16,254.06	849,513.85	
2/29/2012	849,513.85	(30,000.00)			589.93	7,831.40	827,935.18	
3/31/2012	827,935.18	(50,000.00)			936.12	(568.99)	778,302.31	
4/30/2012	778,302.31	(125,000.00)			621.10	(1,704.21)	652,219.20	
5/31/2012	652,219.20	-			60.50	(9,321.55)	642,958.15	
6/30/2012	642,958.15				(2,175.29)	4,846.70	645,629.56	Note: fees for 2011/2012 were \$3434.49
TD	981,129.81	(343,500.00)	35,000.00	-	7,996.57	(34,996.82)	645,629.56	
7/31/2012	645,629.56				(60.44)	3,336.50	648,905.62	Fees that have been deducted: 410.21
8/31/2012	648,905.62				573.40	2,568.52	652,047.54	
9/30/2012	652,047.54				918.64	2,323.48	655,289.66	
10/31/2012	655,289.66				170.68	(1,684.19)	653,776.15	423.97
11/30/2012	653,776.15				192.43	4,879.12	658,847.70	404.64
12/31/2012	658,847.70				4,597.50	668.87	664,114.07	
TD	645,629.56				6,392.21	12,092.30	664,114.07	
1/31/2013	664,114.07				(944.36)	21,630.87	684,800.58	1478.94

A0733446

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF

AIDS HOUSING SANTA BARBARA, INC.

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

OCT - 4 2012

RICHARD KNOWLES and JEAN LANGE DAVIS certify that:

1. They are the President and the Secretary, respectively, of AIDS HOUSING SANTA BARBARA, INC., a California nonprofit public benefit corporation.

2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

FIRST: The name of the corporation is SARAH HOUSE SANTA BARBARA.

SECOND: The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The corporation is organized exclusively for charitable, religious, scientific, literary and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or the corresponding section of any subsequent federal tax law).

Without limiting or restricting the foregoing general purposes, the corporation is organized for the following specific purposes:

- (1) To provide end of life residential care for people of low-income;
- (2) To provide 24-hour residential care for people of low income with HIV/AIDS;
- (3) To provide support for visiting loved ones; and
- (4) To contribute to community hospice care and the growing body of hospice information.

Notwithstanding any other provision of these Articles, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Internal Revenue Code section 501(a) and described in Code sections 501(c)(3), 170(c), 2055(a) and 2522(a) or (b) by a corporation contributions to which are deductible for federal income, gift and estate tax purposes, including under Code section 170(c)(2).

Internal Revenue Service
District Director

Department of the Treasury

Date: MAR 2 1990

▷ Central Coast Congregate Care Inc.
219 W. Yanonali St.
Santa Barbara, CA 93101

Employer Identification Number:
77-0224415
Accounting Period Ending:
June 30
Foundation Status Classification:
509(a)(1) and 170(b)(1)
Advance Ruling Period Ends:
June 30, 1993
Person to Contact:
Daniel Humm
Contact Telephone Number:
(213) 725-6619
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section 509(a)(1) and*

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) and* organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) and* status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) and* organization.

170(b)(1)(A)(vi)*

(over)

P.O. Box 2350, Los Angeles, CA 90053

Letter 1045(DO) (Rev. 1

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. ~~Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.~~

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

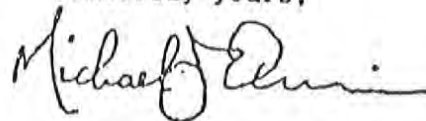
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director