

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code
 For Paperwork Reduction Act Notice, see page 1 of the Instructions.

OMB No 1545-0056
 Expires 3-31-89
 To be filed in the key district for the area in which the organization has its principal office or place of business.

This application, when properly completed, constitutes the notice required under section 508(a) of the Internal Revenue Code so that an applicant may be treated as described in section 501(c)(3) of the Code, and the notice required under section 508(b) for an organization claiming not to be a private foundation within the meaning of section 509(a). (Read the instructions for each part carefully before making any entries.) If required information, a conformed copy of the organizing and operational documents, or financial data are not furnished, the application will not be considered on its merits and the organization will be notified accordingly. Do not file this application if the applicant has no organizing instrument (see Part II).

Part I Identification

1 Full name of organization <p align="center">Minnesota Council of Nonprofits, Inc.</p>		2 Employer identification number (If none, see instructions)	
3a Address (number and street) <p align="center">330 Humphrey Center, 301 19th Ave S.</p>		Check here if applying under section: <input type="checkbox"/> 501(e) <input type="checkbox"/> 501(f) <input type="checkbox"/> 501(k)	
3b City or town, state, and ZIP code <p align="center">Minneapolis, MN 55455</p>		4. Name and telephone number of person to be contacted <p align="center">Jon Pratt (612) 625-1551</p>	
5 Month: the annual accounting period ends <p align="center">December</p>	6 Date incorporated or formed <p align="center">December 4, 1986</p>	7 Activity codes <p align="center">124 404 603</p>	
8 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form number(s), years filed, and Internal Revenue office where filed.			

Part II Type of Entity and Organizational Document (see instructions)

Check the applicable entity box below and attach a conformed copy of the organization's organizing document and bylaws as indicated for each entity.

Corporation—Articles of incorporation and bylaws. Trust—Trust indenture. Other—Constitution or articles of association and bylaws.

Part III Activities and Operational Information

- 1 What are or will be the organization's sources of financial support? List in order of size.
1. Grants from Foundations and corporations
 2. Dues from member organizations
 3. Sales of reports, workshop fees
- 2 Describe the organization's fund-raising program, both actual and planned, and explain to what extent it has been put into effect. (Include details of fund-raising activities such as selective mailings, formation of fund-raising committees, use of professional fund raisers, etc.) Attach representative copies of solicitations for financial support.

The Minnesota Council of Nonprofits has just begun seeking members (membership form enclosed) and plans to submit proposals for foundation and corporation grants later this year.

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

Executive Director 1-19-87

 (Signature) (Title or authority of signer) (Date)

Part III Activities and Operational Information (Continued)

- 3 Give a detailed narrative description of the organization's past, present, and proposed future activities, and the purposes for which it was formed. The narrative should identify the specific benefits, services, or products the organization has provided or will provide. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for it to become fully operational, and when such further steps will take place. (Do not state the purposes and activities of the organization in general terms or repeat the language of the organizational documents.) If the organization is a school, hospital, or medical research organization, include enough information in your description to clearly show that the organization meets the definition of that particular activity that is contained in the instructions for Part VI-A.

The Minnesota Council of Nonprofits is a new organization formed to conduct research and educational activities to help nonprofit organizations be more efficient, raise more funds, and to increase public understanding of the activities of nonprofit organizations.

The Council will seek memberships from nonprofit organizations to help pay for these activities, and will seek foundation grants.

The Council will hold workshops on such topics as "An introduction to Corporate Fundraising," "The Top 50 Foundations," "Raising Funds from Churches," "How to Save Money on Employee Benefit Plans," and "How to Apply for Community Development Block Grants." Members of the Council will be charged about \$10.00 to attend these workshops, and non-members about \$20.00.

The Council will sponsor research on the nonprofit sector, including such topics as the size of the nonprofit sector (expenditures and number), the types of nonprofit organizations, where foundation grants are going (by geography, subject, and constituency), how nonprofits can save money and make limited resources stretch further, etc. The research results will be disseminated in workshops open and advertised to the public (with costs as noted above) and in research reports available and advertised to the public (for sale between \$2.50 and \$10.00 to the public). The Council will also make staff and board members available to speak to civic groups, churches and schools about the research and the role of the nonprofit sector.

The Council of Nonprofits will also explore other ways nonprofits can save money, both by sharing information and possibly by organizing options for nonprofits to gain volume discounts on group purchases.

The Council of Nonprofits will focus its activities on nonprofits that serve or advocate for disadvantaged people, including low income, disabled, women, racial minorities, veterans, senior citizens, etc., though membership will be open to any Minnesota nonprofit organization that supports the Council's purpose statement.

4 The membership of the organization's governing body is:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Catherine Warrick, Chair 2104 Stevens Ave South, Minneapolis, MN 55404	None
Marcia Keller, Vice Chair 2222 Elm Street SE, Minneapolis, MN 55414	None
Terry Anderson, Vice Chair 1900 Chicago Ave, Minneapolis, MN 55404	None

Part III Activities and Operational Information (Continued)

4 c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons?" (See the Specific Instructions for line 4d.) Yes No
If "Yes," explain.

e Have any members of the organization's governing body assigned income or assets to the organization, or is it anticipated that any current or future member of the governing body will assign income or assets to the organization? Yes No
If "Yes," attach a complete explanation stating which applies and including copies of any assignments plus a list of items assigned.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of another organization, or does it have a special relationship to another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

7 a What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken.

No assets yet.

b To what extent have you used, or do you plan to use, contributions as an endowment fund, i.e., hold contributions to produce income for the support of your exempt activities? Will not have an endowment fund.

8 Will any of the organization's facilities be managed by another organization or individual under a contractual agreement? Yes No
If "Yes," attach a copy of each contract and explain the relationship between the applicant and each of the other parties.

Part III Activities and Operational Information (Continued)

- 9 a Have the recipients been required or will they be required to pay for the organization's benefits, services, or products? Yes No
 If "Yes," explain and show how the charges are determined.
 Organizations that join will pay dues (from \$50-\$250 based on size), and members and non-members will pay fees for workshops and reports.
- b Does or will the organization limit its benefits, services, or products to specific classes of individuals? Yes No
 If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 10 Is the organization a membership organization? Yes No
 If "Yes," complete the following:
- a Describe the organization's membership requirements and attach a schedule of membership fees and dues.
 Must be a Minnesota nonprofit organization, support the purpose statement in the bylaws, and be up-to-date on dues.
- b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.
 Distribute membership form to Minnesota nonprofit organizations (enclosed).
- c Are benefits, services, or products limited to members? Yes No
 If "No," explain.

All meetings, workshops, publications available to public, but at a higher fee.

- 11 Does or will the organization engage in activities tending to influence legislation or intervene in any way in political campaigns? Yes No
 If "Yes," explain. (Note: You may wish to file Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation.)

- 12 Does the organization have a pension plan for employees? Yes No
- 13 a Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed as required by section 508(a) and the related regulations? (See General Instructions.) Yes No
- b If you answer "No," to 13a and you claim that you fit an exception to the notice requirements under section 508(a), attach an explanation of your basis for the claimed exception.
- c If you answer "No," to 13a and section 508(a) does apply to you, you may be eligible for relief under regulations section 1.9100 from the application of section 508(a). Do you wish to request relief? Yes No
- d If you answer "Yes," to 13c, attach a detailed statement that satisfies the requirements of Rev. Proc. 79-63.
- e If you answer "No," to both 13a and 13c and section 508(a) does apply to you, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed (see instructions)? Yes No

Part IV Statement as to Private Foundation Status (see instructions)

- 1 Is the organization a private foundation? Yes No
- 2 If you answer "Yes," to question 1 and the organization claims to be a private operating foundation, check here and complete Part VII.
- 3 If you answer "No," to question 1, indicate the type of ruling you are requesting regarding the organization's status under section 509 by checking the box(es) below that apply:
- a Definitive ruling under section 509(a)(1), (2), (3), or (4) . Complete Part VI.
- b Advance ruling under sections 509(a)(1) and 170(b)(1)(A)(vi) or section 509(a)(2)—see instructions.
 (Note: If you want an advance ruling, you must complete and attach two Forms 872-C to the application.)

Part V Financial Data

Statement of Support, Revenue, and Expenses for the period beginning January 1 1986 and ending December 31 1986

Note: Complete the financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Support and Revenue	1	Gross contributions, gifts, grants, and similar amounts received	1	0
	2	Gross dues and assessments of members	2	0
	3 a	Gross amounts derived from activities related to organization's exempt purpose (attach schedule)		0
	b	Minus cost of sales	3c	0
	4 a	Gross amounts from unrelated business activities (attach schedule)		0
	b	Minus cost of sales	4c	0
	5 a	Gross amount received from sale of assets, excluding inventory items (attach schedule)		0
	b	Minus cost or other basis and sales expenses of assets sold	5c	0
6	Investment income (see instructions)	6	0	
7	Other revenue (attach schedule)	7	0	
8	Total support and revenue	8	0	
Expenses	9	Fundraising expenses	9	0
	10	Contributions, gifts, grants, and similar amounts paid (attach schedule)	10	0
	11	Disbursements to or for benefit of members (attach schedule)	11	0
	12	Compensation of officers, directors, and trustees (attach schedule)	12	0
	13	Other salaries and wages	13	0
	14	Interest	14	0
	15	Rent	15	0
	16	Depreciation and depletion	16	0
	17	Other (attach schedule)	17	0
	18	Total expenses	18	0
	19	Excess of support and revenue over expenses (line 8 minus line 18)	19	0

Balance Sheet
(at the end of the period shown above)

Assets			
20	Cash: a	Interest bearing accounts	20a 0
	b	Other	20b 0
21	Accounts receivable, net		21 0
22	Inventories		22 0
23	Bonds and notes (attach schedule)		23 0
24	Corporate stocks (attach schedule)		24 0
25	Mortgage loans (attach schedule)		25 0
26	Other investments (attach schedule)		26 0
27	Depreciable and depletable assets (attach schedule)		27 0
28	Land		28 0
29	Other assets (attach schedule)		29 0
30	Total assets		30 0
Liabilities			
31	Accounts payable		31 0
32	Contributions, gifts, grants, etc., payable		32 0
33	Mortgages and notes payable (attach schedule)		33 0
34	Other liabilities (attach schedule)		34 0
35	Total liabilities		35 0
Fund Balances or Net Worth			
36	Total fund balances or net worth		36 0
37	Total liabilities and fund balances or net worth (line 35 plus line 36)		37 0

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation

Part VI Non-Private Foundation Status (Definitive ruling only)

A.—Basis for Non-Private Foundation Status (Check one of the boxes below.)

The organization is not a private foundation because it qualifies as:

✓	Kind of organization	Within the meaning of	Complete
1	a church or a convention or association of churches	Sections 509(a)(1) and 170(b)(1)(A)(i)	
2	a school	Sections 509(a)(1) and 170(b)(1)(A)(ii)	
3	a hospital or a cooperative hospital service organization or a medical research organization operated in conjunction with a hospital	Sections 509(a)(1) and 170(b)(1)(A)(iii)	
4	a governmental unit described in section 170(c)(1)	Sections 509(a)(1) and 170(b)(1)(A)(v)	
5	being organized and operated exclusively for testing for public safety	Section 509(a)(4)	
6	being operated for the benefit of a college or university that is owned or operated by a governmental unit	Sections 509(a)(1) and 170(b)(1)(A)(iv)	Part VI.—B
7	normally receiving a substantial part of its support from a governmental unit or from the general public	Sections 509(a)(1) and 170(b)(1)(A)(vi)	Part VI.—B
8	normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions)	Section 509(a)(2)	Part VI.—B
9	being operated solely for the benefit of or in connection with one or more of the organizations described in 1 through 4, or 6, 7, and 8 above	Section 509(a)(3)	Part VI.—C

B.—Analysis of Financial Support (Complete if you checked box 6, 7, or 8 above.)

	(a) Most recent tax year	(Years next preceding most recent tax year)			(e) Total
	19	(b) 19	(c) 19	(d) 19	
1 Gifts, grants, and contributions received					
2 Membership fees received					
3 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513					
4 Gross investment income (see instructions for definition)					
5 Net income from organization's unrelated business activities not included on line 4					
6 Tax revenues levied for and either paid to or spent on behalf of the organization					
7 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
8 Other income (not including gain or loss from sale of capital assets)—attach schedule					
9 Total of lines 1 through 8					
10 Line 9 minus line 3					
11 Enter 2% of line 10, column (e) only					

12 If the organization has received any unusual grants during any of the above tax years, attach a list for each year showing the name of the contributor, the date and amount of grant, and a brief description of the nature of such grant. Do not include such grants on line 1 above—(See instructions).

Minnesota Council of Nonprofits

Budgets for first three years

<u>EXPENSES</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Executive Director	33,500	35,000	36,750
Research Coordinator (1/2 time)	12,000	13,000	13,650
Member Services Coordinator	18,750 (9 mo)	25,000	26,250
Member Services Assistant	0	0	20,000
Office Assistant	5,000	10,000	16,000
Benefits @ 20%	12,850	14,600	22,330
Communications Coordinator (contract)	5,000	7,000	12,000
Research Interns (stipend)	0	6,000	6,000
<u>STAFF TOTAL</u>	87,100	110,600	152,980
rent	6,000	9,400	10,000
phone			
Basic Service	1,200	1,400	1,500
Long Distance	1,300	1,900	2,000
Equipment Lease	1,200	1,500	1,500
printing	4,000	4,500	4,700
publication	1,200	1,200	1,200
graphics	850	1,000	1,000
postage	2,800	3,000	3,200
office Equipment			
Startup Purchase	9,410		
Annual Maintenance	600	800	800
data Entry	400	600	650
workshops	1,200	2,000	2,000
annual Meeting	6,000	7,000	7,500
travel			
Board Meetings	1,000	1,500	1,500
Staff	1,500	1,800	1,800
insurance			
Workers Compensation	700	900	900

Office/Business Package Policy	220	300	300
Memberships/Subscriptions/Staff Training	500	1,200	1,200
valuation Survey	0	800	800
Financial Services	1,500	2,200	2,200
Audit	1,000	1,200	1,200
TOTAL EXPENSES	129,680	154,800	198,930

INCOME:

	Year 1	Year 2	Year 3
License Income:	17,250	35,500	60,875
Member Services:	3,000	7,000	10,000
Report Sales:	2,000	4,000	6,000
Annual Conference:	5,000	7,000	9,000
Foundation Grants:	102,430	101,300	113,055
Total Income:	129,680	154,800	198,930

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