

421009: DIFM

Form **1023**
(Rev. November 1972)
Department of the Treasury
Internal Revenue Service

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

To be filed in the District
in which the organization
has its principal office or
place of business.

This application, when properly completed, shall constitute the notice required under section 508(a) of the Internal Revenue Code in order that organizations may be treated as described in section 501(c)(3) of the code, and the notice under section 508(b) appropriate to those organizations claiming not to be private foundations within the meaning of section 509(a).

Part I.—Identification (See instructions)

1 Full name of organization Yavapai College Foundation, a not for profit Arizona corporation	2 Employer identification number (If none, attach Form SS-4) 23-7232985
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3(a) Address (number and street)
c/o Yavapai College

3(b) City or town, State and ZIP code Prescott, Arizona, 86301	4 Name and phone number of person to be contacted Richard Walraven, 602-445-8824
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5 Month the annual accounting period ends December	6 Date incorporated or formed	7 Activity Codes (see instructions)	
		602	040 041

Part II.—Organizational Documents (See instructions)

- 1 Attach a conformed copy of the organization's creating instruments (articles of incorporation, constitution, articles of association, deed of trust, etc.).
- 2 Attach a conformed copy of the organization's by-laws or other rules for its operation.
- 3 If the organization does not have a creating instrument, check here (See instructions)

Part III.—Activities and Operational Information (See instructions)

1 What are or will be the organization's sources of financial support? List in order of magnitude. If a portion of the receipts is or will be derived from the earnings of patents, copyrights, or other assets (excluding stock, bonds, etc.), identify such item as a separate source of receipt. Attach representative copies of solicitations for financial support.

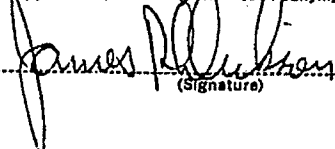
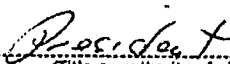
Primary sources of financial support - gifts from individuals, industry and foundations. A copy of representative brochure, which is generally accompanied by a personal letter, is attached.

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2 Describe the organization's fund-raising program 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.)

Brochures have been developed for selective mailing. Local clubs and organizations are encouraged by the Foundation to undertake fund raising activities to aid Yavapai College and its students. Board of Directors itself of the Foundation is the sole fund raising committee existing to date. No professional fund raisers have been employed. Presently the Foundation is soliciting the existing Board of Directors of the Foundation, the employees, faculty and governing board of Yavapai College, also students of Yavapai College, and some selected corporate contacts. It is intended to increase solicitation to include the Yavapai County citizens generally and also to contact local, state and national foundations in support of educational endeavors.

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.

 (Signature)	 (Title or authority of signer)	12-22-74 (Date)
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Part III.—Activities and Operational Information (Continued)

- 3 Give a narrative description of the activities presently carried on by the organization, and also those that will be carried on. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for the organization to become fully operational, and when such further steps will take place. The narrative should specifically identify the services performed or to be performed by the organization. (Do not state the purposes 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 sufficient 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 VII-A on page 3 of the instructions.

The organization is now considered fully operational. The organization hopes to expand sufficiently to employ personnel to assist in its operation. Services to be performed by the organization are to provide monies for scholarships, equipment and grants and services to the Yavapai College and its students that are not readily available from public tax funds.

Part III.—Activities and Operational Information (Continued)

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

(a) Names, addresses, and duties of officers, directors, trustees, etc.	(b) Specialized knowledge, training, expertise, or particular qualifications
See Exhibit "A" attached for the Board of Directors and Officers of Yavapai College Foundation. The duties of the officers and directors are as set forth in the Bylaws previously submitted.	The officers and directors of the Corporation consist of professional people, businessmen and citizens of community. They are not specifically trained or have particular expertise in foundations; however, they represent a broad interest of professions, businesses and organizations of Yavapai County.

(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," please name such 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 specific instructions 4(d).) Yes No
 If "Yes," please explain.

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," please explain.

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

7 What assets does the organization have that are used in the performance of its exempt function? (Do not include income producing property.) If any assets are not fully operational, explain what stage of completion has been reached, what additional steps remain to be completed, and when such final steps will be taken.
 The only assets of the Corporation are small amounts of cash that have been contributed to date.

Part III.—Activities and Operational Information (Continued)

8 (a) What benefits, services, or products will the organization provide with respect to its exempt function?

The organization hopes to provide student scholarships and to provide other financial assistance for the benefit of Yavapai College and its students.

(b) Have the recipients been required or will they be required to pay for the organization's benefits, services, or products? Yes No
If "Yes," please explain and show how the charges are determined.

9 Does or will the organization limit its benefits, services or products to specific classes of individuals? . . . Yes No
If "Yes," please 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) Please describe the organization's membership requirements and attach a schedule of membership fees and dues.

(b) Are benefits limited to members? Yes No
If "No," please explain.

(c) Attach a copy of the descriptive literature or promotional material used to attract members to the organization.

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," please explain.

Part IV.—Statement as to Private Foundation Status (See instructions)

- 1 Is the organization a private foundation? Yes No
2 If question 1 is answered "No," indicate the type of ruling being requested as to the organization's status under section 509 by checking the applicable box below:
 Definitive ruling under section 509(a)(1), (2), (3), or (4) — complete Part VII.
 Advance or extended advance ruling under section 509(a)(1) or (2) — See instructions.
3 If question 1 is answered "Yes," and the organization claims to be a private operating foundation, check here and complete Part VIII.

Part V.—Financial Data (See instructions)

Statement of Receipts and Expenditures, for period ending December 16, 1974

Receipts		
1	Gross contributions, gifts, grants and similar amounts received	\$3,697.75
2	Gross dues and assessments of members	
3	Gross amounts derived from activities related to organization's exempt purpose	
	Less cost of sales	
4	Gross amounts from unrelated business activities	
	Less cost of sales	
5	Gross amount received from sale of assets, excluding inventory items (attach schedule)	
	Less cost or other basis and sales expense of assets sold	
6	Interest, dividends, rents and royalties	
7	Total receipts	3,697.75
Expenditures		
8	Contributions, gifts, grants, and similar amounts paid (attach schedule)	
9	Disbursements to or for benefit of members (attach schedule)	
10	Compensation of officers, directors, and trustees (attach schedule)	
11	Other salaries and wages	
12	Interest	
13	Rent	
14	Depreciation and depletion	
15	Other (attach schedule) Publication expenses and supplies	2,500.00
16	Total expenditures	2,500.00
17	Excess of receipts over expenditures (line 7 less line 16)	\$1,197.75

Balance Sheets	Enter dates \triangleright	Beginning date	Ending date
Assets			
18	Cash (a) Interest bearing accounts	\$170.00	\$1,197.75
	(b) Other		
19	Accounts receivable, net		
20	Inventories		
21	Bonds and notes (attach schedule)		
22	Corporate stocks (attach schedule)		
23	Mortgage loans (attach schedule)		
24	Other investments (attach schedule)		
25	Depreciable and depletable assets (attach schedule)		
26	Land		
27	Other assets (attach schedule)		
28	Total assets		1,197.75
Liabilities			
29	Accounts payable	- 0 -	- 0 -
30	Contributions, gifts, grants, etc., payable		
31	Mortgages and notes payable (attach schedule)		
32	Other liabilities (attach schedule)		
33	Total liabilities		
Fund Balance or Net Worth			
34	Total fund balance or net worth		\$1,197.75
35	Total liabilities and fund balance or net worth (line 33 plus line 34)		

Part VI.—Required Schedules for Special Activities (See instructions)	If "Yes," check here:	And, complete schedule—
1 Is the organization, or any part of it, a school?		A
2 Does the organization provide or administer any scholarship benefits, student aid, etc.?	Yes	B
3 Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		C
4 Is the organization, or any part of it, a hospital?		D
5 Is the organization, or any part of it, a home for the aged?		E
6 Is the organization, or any part of it, a litigating organization (public interest law firm or similar organization)?		F

Part VII.—Non-Private Foundation Status (Definitive ruling only)

A.—Basis for Non-Private Foundation Status

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

✓	Kind of organization	Within the meaning of	Complete
1	a church	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	Sections 509(a)(1) and 170(b)(1)(A)(iii)	
4	a medical research organization operated in conjunction with a hospital	Sections 509(a)(1) and 170(b)(1)(A)(iii)	
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 which is owned or operated by a governmental unit	Sections 509(a)(1) and 170(b)(1)(A)(iv)	Part VII.—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)(v)	Part VII.—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 VII.—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 VII.—C

B.—Analysis of Financial Support

	(a) Most recent taxable year	(Years next preceding most recent taxable 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 which is not an unrelated business within the meaning of section 513				
4	Gross income from interest, dividends, rents and royalties				
5	Net income from organization's unrelated business activities				
6	Tax revenues levied for and either paid to or expended 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 less 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 taxable 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 in line 1 above. (See Instructions)

B.—Analysis of Financial Support (Continued)

13 If the organization's non-private foundation status is based upon:

(a) Sections 509(a)(1) and 170(b)(1)(A)(iv) or (vi).—Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts for the entire period exceed the amount shown on line 11.

(b) Section 509(a)(2).—With respect to the amounts included on lines 1, 2, and 3, attach a list for each of the above years showing the name of and amount received from each person who is a "disqualified person."

With respect to the amount included in line 3, attach a list for each of the above years showing the name of and amount received from each payor (other than a "disqualified person") whose payments to the organization exceeded \$5,000. For this purpose, "payor" includes but is not limited to any organization described in sections 170(b)(1)(A)(i) through (vi) and any government agency or bureau.

C.—Supplemental Information Concerning Organizations Claiming Non-Private Foundation Status Under Section 509(a)(3)

1 Organizations supported by applicant organization:

Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of sections 509(a)(1), or (2)?

Name and address of supported organization
Yavapai College, a public, tax supported community college existing and operating under the Yavapai County Community College District and the Arizona State Board of Directors for the State of Arizona.

2 What does the applicant organization do to support the above organizations?

Provides scholarships and other financial aid to Yavapai College above described.

3 In what way do the supported organizations operate, supervise, or control the applicant organization, or in what way are the supported and applicant organizations operated in connection with each other?

Yavapai College does not operate, supervise or control the applicant organization. However, Yavapai College has assisted in the support of the Foundation and applicant hereunder by providing accounting services and a limited amount of office space and supplies.

4 Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he is a manager) or by an organization which is not described in section 509(a)(1) or (2)? Yes No

If "Yes," please explain.

Part VIII.—Basis for Status as a Private Operating Foundation

If the organization—

- (a) bases its claim to private operating foundation status upon normal and regular operations over a period of years; or
- (b) is newly created, set up as a private operating foundation, and has at least one year's experience;

complete the schedule below answering the questions under the income test and one of the three supplemental tests (assets, endowment, or support). If the organization does not have at least one year's experience, complete line 21. If the organization's private operating foundation status depends upon its normal and regular operations as described in (a) above, submit, as an additional attachment, data in tabular form corresponding to the schedule below for the three years next preceding the most recent taxable year.

Income Test	Most recent taxable year
1 Adjusted net income, as defined in section 4942(f)	_____
2 Qualifying distributions:	
(a) Amounts (including administrative expenses) paid directly for the active conduct of the activities for which organized and operated under section 501(c)(3) (attach schedule)	_____
(b) Amounts paid to acquire assets to be used (or held for use) directly in carrying out purposes described in sections 170(c)(1) or 170(c)(2)(B) (attach schedule)	_____
(c) Amounts set aside for specific projects which are for purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule)	_____
(d) Total qualifying distributions (add lines 2(a), (b), and (c))	_____
3 Percentage of qualifying distributions to adjusted net income (divide line 1 into line 2(d)—percentage must be at least 85 percent	_____%
Assets Test	
4 Value of organization's assets used in activities that directly carry out the exempt purposes. Do not include assets held merely for investment or production of income (attach schedule)	_____
5 Value of any corporate stock of corporation that is controlled by applicant organization and carries out its exempt purposes (attach statement describing such corporation)	_____
6 Value of all qualifying assets (add lines 4 and 5)	_____
7 Value of applicant organization's total assets	_____
8 Percentage of qualifying assets to total assets (divide line 7 into line 6—percentage must exceed 65 percent)	_____%
Endowment Test	
9 Value of assets not used (or held for use) directly in carrying out exempt purposes:	
(a) Monthly average of investment securities at fair market value	_____
(b) Monthly average of cash balances	_____
(c) Fair market value of all other investment property (attach schedule)	_____
(d) Total (add lines 9(a), (b), and (c))	_____
10 Subtract acquisition indebtedness with respect to line 9 items (attach schedule)	_____
11 Balance (line 9 less line 10)	_____
12 Apply to line 11 a factor equal to two-thirds the current applicable percentage for the minimum investment return under section 4942(e)(3). Line 2(d) must equal or exceed the result of this computation	_____
Support Test	
13 Applicant organization's support as defined in section 513(d)	_____
14 Less—amount of gross investment income as defined in section 509(e)	_____
15 Support for purposes of section 4942(j)(3)(B)(iii)	_____
16 Support received from the general public, five or more exempt organizations, or a combination thereof (attach schedule)	_____
17 For persons (other than exempt organizations) contributing more than 1 percent of line 15, enter the total amounts in excess of 1 percent of line 15	_____
18 Subtract line 17 from line 16	_____
19 Percentage of total support (divide line 15 into line 18—must be at least 85 percent)	_____%
20 Does line 16 include support from an exempt organization which is in excess of 25 percent of the amount on line 15?	<input type="checkbox"/> Yes <input type="checkbox"/> No
21 Newly created organizations with less than one year's experience: Attach a statement explaining how the organization is planning to satisfy the requirements of section 4942(j)(3) with respect to the income test and one of the supplemental tests during its first year's operation. Include a description of plans and arrangements, press clippings, public announcements, solicitations for funds, etc.	

SCHEDULE A.—Schools, Colleges, and Universities
(Answer questions 2 and 3 only if questions 1(a) and 1(b) are answered "No.")

- 1 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to:
- (a) Admissions? Yes No
- (b) Use of facilities or exercise of student privileges? Yes No
- If "Yes" for either of the above, please explain.

2 If the organization's governing instruments do not clearly set forth a racially nondiscriminatory policy as to its students, check here . Attach whatever corporate resolutions or other official statements the organization has made on this subject.

3 Has the organization publicized its racially nondiscriminatory policies in a manner that brings such policies to the attention of all members of the community which it serves? Yes No

If "Yes," please describe how these policies have been publicized. Also attach a copy of the organization's most current admissions bulletin or catalog and clippings of any relevant advertising.

SCHEDULE B.—Organizations Providing Scholarship Benefits, Student Aid, etc. to Individuals

1 Please describe the nature of the scholarship benefit, student aid, etc. including the terms and conditions governing its use, whether a gift or a loan, and the amount thereof. If the organization has established or will establish several categories of scholarship benefits, identify each kind of such benefit and explain how the organization determines the recipients for each category. Attach a sample copy of any application the organization requires or will require of individuals to be considered for scholarship grants, loans, or similar benefits.

The Foundation advances any additional monies it holds to Yavapai College to be used for scholarship purposes without further restriction unless the donor of the money has requested a restriction as to its use. The Foundation itself does not determine who the recipients shall be or establish the criteria unless the donor of the money itself to the Foundation has restricted the use of the funds.

2 How does or will the organization select its recipients and what criteria does or will it use in making such selections?

Yavapai College, a tax supported community college of Arizona, selects the recipients of any funds made available by the Foundation, and the Foundation does not establish the criteria for its use unless the donor of funds to the Foundation has placed restrictions on its use. In this event, such restrictions are made known to the proper officials of Yavapai College, an Arizona state and community college.

3 Does or will the organization have any restrictions or limitations in its selection procedures based upon racial standards? Yes No

If "Yes," please explain.

SCHEDULE B.—Organizations Providing Scholarship Benefits, Student Aid, etc. to Individuals (Continued)

4 (a) Does or will the organization have any restrictions or limitations in its selection practices based upon the employment status of the recipient or any relative of the recipient? Yes No
If "Yes," please explain.

(b) If the organization has restrictions or limitations based upon employment status, enter the approximate number of the organization's potential grantees or recipients each year, and the number that will be selected
Please explain the basis for these projections.

SCHEDULE C.—Successors to "For Profit" Institutions

1 What was the name of the predecessor organization and the nature of its activities?

2 Who were the owners or principal stockholders of the predecessor organization? (If more space is needed, attach schedule.)

Name and address	Share or interest

3 Describe the business or family relationship between the owners or principal stockholders and principal employees of the predecessor organization and that of the officers, directors, and principal employees of the applicant organization.

4 (a) Attach a copy of the agreement of sale or other contract that sets forth the terms and conditions of sale of the predecessor organization or of its assets to the applicant organization.

(b) Attach an appraisal by an independent qualified expert of the facilities or property interest sold showing fair market value at time of sale.

5 Has any property or equipment formerly used by the predecessor organization been rented to the applicant organization or will any such property be rented? Yes No
If "Yes," please explain and attach copies of all leases and contracts.

6 Is the organization leasing or will it lease or otherwise make available any space to the owners, principal stockholders, or principal employees of the predecessor organization? Yes No
If "Yes," please explain and attach a list of such tenants and a copy of the lease for each such tenant.

7 Were any new operating policies initiated as a result of the transfer of assets from a profit-making organization to a nonprofit organization? Yes No
If "Yes," please explain.