

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 May 31, 1984
 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.) The organization must have an organizing instrument (see Part II) before this application may be filed.

Part I—Identification

1 Full name of organization FCNL Education Fund		2 Employer identification number (if none, attach Form SS-4) Form SS-4 attached	
3(a) Address (number and street) 245 Second Street, N.E.		Check here if applying under section: <input type="checkbox"/> 501(e) <input type="checkbox"/> 501(f)	
3(b) City or town, State, and ZIP code Washington, D.C. 20002		4 Name and phone number of person to be contacted Bruce D. Lindsay (202) 662-5458	
5 Month the annual accounting period ends December	6 Date incorporated or formed May 28, 1982	7 Activity codes 520 123 029	
8(a) Has the organization filed Federal income tax returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form number(s), year(s) filed, and Internal Revenue office where filed ▶			
8(b) Has the organization filed exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form number(s), year(s) filed, and Internal Revenue office where filed ▶			

Part II.—Type of Entity and Organizational Documents (see instructions)

Check the applicable entity box below and attach a conformed copy of the organization's organizing and operational documents as indicated for each entity.
 Corporation—Articles of incorporation, bylaws. Trust—Trust indenture. Other—Constitution or articles, bylaws.

Part III.—Activities and Operational Information

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

It is expected that the organization's financial support will be derived from charitable contributions and bequests from individuals, grants from Friends' meetings and organizations and grants from appropriate foundations and trust funds.

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.)

It is planned that mailings describing the organization will be made to those who in the past have supported the activities of Friends Committee on National Legislation. In the future mailings will also be made to other like-minded individuals. In addition, it is planned that in the course of their travels the field secretaries and other staff members of Friends Committee on National Legislation will solicit contributions for FCNL Education Fund. For a discussion of the relationship between FCNL and Friends Committee on National Legislation see Part III, question 5.

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.

Robert Fetter (Signature) Chair of the General Committee (Title or authority of signer) July 8, 1982 (Date)

Part III.—Activities and Operational Information (Continued)

3 Give a narrative description of the activities presently carried on by the organization, and 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 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 VII-A.

The organization is currently in its planning stage. FCNL Education Fund will become fully operational once sufficient funding is raised. It will conduct research and educational activities concerning domestic and international matters of concern to the Society of Friends such as: (1) preparing and publishing studies and reports; (2) sending speakers to school, church and other gatherings; and (3) sponsoring seminars and other similar educational gatherings.

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 attached sheet.	

Attachment to Form 1023

Part III

4.

(a) Names and addresses of directors and officers

(b) Specialized knowledge, training, expertise, or particular qualifications

Directors

George I. Bliss
2426 Oahu Ave.
Honolulu, Hawaii 96822

Former Finance Secretary,
Friends Committee on National
Legislation

Nick Block
General Delivery
Reliance, Virginia 22649

Finance Secretary, Friends
Committee on National
Legislation

Claire Davis
1731 S. Main Street
Findlay, Ohio 45840

Convener of the Development
Committee, Friends Committee
on National Legislation

Robert Fetter
198 Oakdale Rd.
Baltimore, Maryland 21210

Clerk of the General
Committee, Friends Committee
on National Legislation

Howard Fullerton
3811 Van Ness Street, N.W.
Washington, D.C. 20016

Treasurer, Friends Committee
On National Legislation

Helen Fuson
325 College Ave.
Richmond, Indiana

Clerk of the Nominating
Committee, Friends Committee
on National Legislation

Charles H. Harker, Jr.
714 3rd St., S.W.
Washington, D.C. 20024

Former Acting Executive
Secretary, Friends Committee
on National Legislation

Wilton E. Hartzler
50009 Pylers Mill Court
Fairfax, Virginia 22032

Associate Secretary for
Administration, Friends
Committee on National Legislation

Victor Kaufman
11402 Cam Ct.
Kensington, Maryland 20895

Assistant Treasurer, Friends
Committee on National
Legislation

Marie Kirk
Olney Friends School
Barnesville, Ohio

Member Executive Committee,
Friends Committee on National
Legislation

Ralph Luginbill
11801 Valley Rd.
Fairfax, Virginia 22030

Clerk of the Finance Committee,
Friends Committee on National
Legislation

Dorothy Mason
5108 Laurinder Dr.
Greensboro, North Carolina
27410

Clerk of the Policy Committee,
Friends Committee on National
Legislation

Barbara Nnoka
1713 North Troy St. #385
Arlington, Virginia 22201

Clerk of the Personnel
Committee, Friends Committee
on National Legislation

Ralph Rose
Route 2, Box 299
Heathsville, Virginia 22473

Clerk of the Executive
Committee, Friends Committee
on National Legislation

David H. Scull
Box 170
Annandale, Virginia 22003

Member of Friends Meeting,
Langley Hills, Virginia

Dan Schaffer
752 E. Tempe Dr.
Tempe, Arizona 85281

Member of the Executive
Committee, Friends Committee
on National Legislation

Edward F. Snyder
7512 Princeton Ave.
College Park, Maryland 20740

Executive Secretary, Friends
Committee on National
Legislation

Officers

Robert Fetter, Chair of
the Corporation

See above

Ralph Rose, Vice-Chair
of the Corporation

See above

Edward F. Snyder, Secretary

See above

David H. Scull, Treasurer

See above

Charles H. Harker, Jr.
Assistant Treasurer

See above

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 specific instruction 4(d).) Yes No
If "Yes," explain.

(e) Have any members of the organization's governing body assigned income or assets to the organization? Yes No
If "Yes," attach a copy of assignment(s) and a list of items assigned.

(f) Is it anticipated that any current or future member of the organization's governing body will assign income or assets to the organization? Yes No
If "Yes," explain fully on an attached sheet.

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.

See attached sheet.

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.

Yes, to the extent that FCNL Education Fund has entered into an expense reimbursement and allocation agreement with an affiliated corporation, Friends Committee on National Legislation, Inc. See attached sheet.

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.

None as yet. See answer to Part III, question 3 above.

(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? No plans exist to create an endowment fund for the organization. However, contributions may be held in interest-bearing accounts prior to disbursement.

8 (a) What benefits, services, or products will the organization provide that are related to its exempt function?

FCNL Education Fund will prepare and publish studies and reports, send speakers to church, school and other gatherings and sponsor educational events such as symposia and seminars.

Attachment to Form 1023

Part III.

5. All of the directors of the Board of Directors of FCNL EDUCATION FUND have been selected from a list of persons appointed by an affiliated corporation, FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC., a non-profit corporation organized under the laws of the District of Columbia. All but two of the directors appointed by FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. may be directors, officers or employees of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC.

6. FCNL EDUCATION FUND and FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC., an affiliated non-profit corporation, have entered into an expense reimbursement and allocation agreement. Pursuant to this agreement, FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. will provide services and facilities to FCNL EDUCATION FUND and will be reimbursed for the cost of these services and facilities. The agreement is attached as Exhibit D.

Part III.—Activities and Operational Information (Continued)

8 (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," explain and show how the charges are determined.

See attached sheet.

9 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.

(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.

(c) Are benefits, services, or products limited to members? Yes No
If "No," explain.

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 13(a) 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 13(a) and section 508(a) does apply to you, you may be eligible for relief under section 1.9100 of the Income Tax Regulations from the application of section 508(a). Do you wish to request relief? Yes No

(d) If you answer "Yes," to 13(c) attach a detailed statement that satisfies the requirements of Rev. Proc. 79-63.

(e) If you answer "No," to both 13(a) and 13(c) and section 508(a) does apply to you, your exemption 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 from the date the application is received and not retroactively to the date you were formed? Yes No

Part IV.—Statement as to Private Foundation Status

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 VIII.

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) that apply below:

(a) Definitive ruling under section 509(a)(1), (2), (3), or (4) ▶ Complete Part VII.

(b) Advance ruling under section ▶ 170(b)(1)(A)(vi) or ▶ 509(a)(2)—see instructions.

(c) Extended advance ruling under section ▶ 170(b)(1)(A)(vi) or ▶ 509(a)(2)—see instructions.

(Note: If you want an extended advance ruling you must check the appropriate boxes for both 3(b) and 3(c).)

Attachment to Form 1023

Part III.

8 (b). Attempts will be made to offset the cost of producing, printing and mailing some of the studies and reports of the Fund by charging for them. Charges will generally cover only actual costs of producing, printing and handling and will not contain any profit component.

Statement of Support, Revenue, and Expenses for period ending July 1, 1982

Support and Revenue	1	Gross contributions, gifts, grants, and similar amounts received	1	
	2	Gross dues and assessments of members	2	
	3	(a) Gross amounts derived from activities related to organization's exempt purpose	3	
		(b) Minus cost of sales		
	4	(a) Gross amounts from unrelated business activities	4	
		(b) Minus cost of sales		
	5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule)	5	
	(b) Minus cost or other basis and sales expenses of assets sold	6		
6	Investment income (see instructions)	6		
7	Total support and revenue	7	None	
Expenses	8	Fund raising expenses	8	
	9	Contributions, gifts, grants, and similar amounts paid (attach schedule)	9	
	10	Disbursements to or for benefit of members (attach schedule)	10	
	11	Compensation of officers, directors, and trustees (attach schedule)	11	
	12	Other salaries and wages	12	
	13	Interest	13	
	14	Rent	14	
	15	Depreciation and depletion	15	
	16	Other (attach schedule)	16	
	17	Total expenses	17	None
	18	Excess of support and revenue over expenses (line 7 minus line 17)	18	00.00

Balance Sheets		Enter dates ▶	Beginning date	Ending date
Assets				
19	Cash (a) Interest bearing accounts	19		
	(b) Other			
20	Accounts receivable, net	20		
21	Inventories	21		
22	Bonds and notes (attach schedule)	22		
23	Corporate stocks (attach schedule)	23		
24	Mortgage loans (attach schedule)	24		
25	Other investments (attach schedule)	25		
26	Depreciable and depletable assets (attach schedule)	26		
27	Land	27		
28	Other assets (attach schedule)	28		
29	Total assets	29		None
Liabilities				
30	Accounts payable	30		
31	Contributions, gifts, grants, etc., payable	31		
32	Mortgages and notes payable (attach schedule)	32		
33	Other liabilities (attach schedules)	33		
34	Total liabilities	34		None
Fund Balances or Net Worth				
35	Total fund balances or net worth	35		00.00
36	Total liabilities and fund balances or net worth (line 34 plus line 35)	36		00.00

Has there been any substantial change in any aspect of your financial activities since the period ending date shown above? Yes No
 If "Yes," attach a detailed explanation.

Part VI.—Required Schedules for Special Activities		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.?		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 or a medical research organization?		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
7	Is the organization, or any part of it, formed to promote amateur sports competition?		G

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	X	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 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 *Not applicable*

	(a) Most recent tax year	(Years next preceding most recent tax year)			(e) Total
		19.....	(b) 19.....	(c) 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 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).

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

B.—Analysis of Financial Support (Continued)

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

(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 were more than the amount shown on line 11.

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

For each of the years on line 3, attach a list showing the name of and amount received from each payor (other than a "disqualified person") whose payments to the organization were more than \$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:

Name and address of supported organization	Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)?
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 To what extent are the members of your governing board elected or appointed by the supported organization(s)?

3 What is the extent of common supervision or control that you and the supported organization(s) share?

4 To what extent do(es) the supported organization(s) have a significant voice in your investment policies, the making and timing of grants, and in otherwise directing the use of your income or assets?

5 Does the mentioning of the supported organization(s) in your governing instrument make you a trust that the supported organization(s) can enforce under State law and compel to make an accounting? Yes No
If "Yes," explain.

6 What portion of your income do you pay to each supported organization and how significant is the support to each?

7 To what extent do you conduct activities which would otherwise be carried out by the supported organization(s)? Explain why these activities would otherwise be carried on by the supported organization(s).

8 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 or she is a manager) or by an organization which is not described in section 509(a)(1) or (2)? Yes No
If "Yes," explain.

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

If the organization—

- (a) bases its claim to private operating foundation status on 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;

provide the information under the income test and under 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 on its normal and regular operations as described in (a) above, attach a schedule similar to the one below showing the data in tabular form for the three years next preceding the most recent tax year.

Income Test	Most recent tax 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 2(d) by line 1—percentage must be at least 85%)	%
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 stock of a corporation that is controlled by applicant organization and carries out its exempt purposes (attach statement describing 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 6 by line 7—percentage must exceed 65%)	%
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 related to line 9 items (attach schedule)	
11 Balance (subtract line 10 from line 9(d))	
12 For years beginning on or after January 1, 1976, multiply line 11 by a factor of 3 1/3% (2/3 of the applicable percentage for the minimum investment return computation under section 4942(e)). Line 2(d) above must equal or exceed the result of this computation	
Support Test	
13 Applicant organization's support as defined in section 509(d)	
14 Subtract amount of gross investment income as defined in section 509(e)	
15 Support for purposes of section 4942(j)(3)(B)(iii) (subtract line 14 from line 13)	
16 Support received from the general public, five or more exempt organizations, or a combination of these sources (attach schedule)	
17 For persons (other than exempt organizations) contributing more than 1% of line 15, enter the total amounts that are more than 1% of line 15	
18 Subtract line 17 from line 16	
19 Percentage of total support (divide line 18 by line 15—must be at least 85%)	%
20 Does line 16 include support from an exempt organization that is more than 25% 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) for 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

- 1 Is the organization an instrumentality of a State or political subdivision of a State? Yes No
If "Yes," document this in Part III and do not complete items 2 through 8 of this schedule. (See instructions for Schedule A.)
- 2 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
 - (c) Faculty or administrative staff? Yes No
 - (d) Scholarship or loan program? Yes No
 If "Yes," for any of the above, explain.

3 Does the organization include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students? Yes No
Attach whatever corporate resolutions or other official statements the organization has made on this subject.

4 (a) Has the organization made its racially nondiscriminatory policies known in a manner that brings the policies to the attention of all segments of the general community which it serves? Yes No
If "Yes," describe how these policies have been publicized and state the frequency with which relevant notices or announcements have been made. If no newspaper or broadcast media notices have been used, explain.

(b) If applicable, attach clippings of any relevant newspaper notices or advertising, or copies of tapes or scripts used for media broadcasts. Also attach copies of brochures and catalogues dealing with student admissions, programs, and scholarships, as well as representative copies of all written advertising used as a means of informing prospective students of your programs.

5 Attach a numerical schedule showing the racial composition, as of the current academic year, and projected as far as may be feasible for the next academic year, of: (a) the student body, (b) the faculty and administrative staff.

6 Attach a list showing the amount of any scholarship and loan funds awarded to students enrolled and the racial composition of the students who have received the awards.

7 (a) Attach a list of the organization's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.
(b) State whether any of the organizations listed in (a) have as an objective the maintenance of segregated public or private school education, and, if so, whether any of the individuals listed in (a) are officers or active members of such organizations.

8 Indicate the public school district and county in which the organization is located.

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

1 (a) 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. If the organization has established or will establish several categories of scholarship benefits, identify each kind of 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. (Private foundations that make grants for travel, study or other similar purposes are required to obtain advance approval of scholarship procedures. See sections 53.4945-4(c) and (d) of the regulations.)

(b) If you want this application considered as a request for approval of grant procedures in the event we determine that you are a private foundation, check here

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

2 What limitations or restrictions are there on the class of individuals who are eligible recipients? Specifically explain whether there are, or will be, any restrictions or limitations in the selection procedures based upon race and whether there are, or will be, restrictions or limitations in selection procedures based on the employment status of the prospective recipient or any relative of the prospective recipient. Also indicate the approximate number of eligible individuals.

3 Indicate the number of grants you anticipate making annually |

4 List the names, addresses, duties, and relevant background of the members of your selection committee. If you base your selections in any way on the employment status of the applicant or any relative of the applicant, indicate whether there is or has been any direct or indirect relationship between the members of the selection committee and the employer. Also indicate whether relatives of the members of the selection committee are possible recipients or have been recipients.

5 Describe any procedures you have for supervising grants, such as obtaining reports or transcripts, which you award and any procedures you have for taking action if the terms of the grant are violated.

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 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 showing the fair market value of the facilities or property interest sold at the time of sale.

SCHEDULE C.—Successors to "For Profit" Institutions (Continued)

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," explain and attach copies of all leases and contracts.

6 Is the organization leasing or will it lease or otherwise make available any space or equipment to the owners, principal stockholders, or principal employees of the predecessor organization? Yes No
If "Yes," explain and attach a list of these 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," explain.

SCHEDULE D.—Hospitals and Medical Research Organizations

- Check here if you are claiming to be a hospital and complete the questions in Part I of this Schedule and write "N/A" in Part II.
 Check here if you are claiming to be a medical research organization operated in conjunction with a hospital and complete the questions in Part II of this Schedule and write "N/A" in Part I.

Part I.—Hospitals

1 (a) How many doctors are on the hospital's courtesy staff?
(b) Do these doctors include all the doctors in the community? Yes No
If "No," give the reasons why and explain how the courtesy staff is selected.

2 Composition of board of directors or trustees. (If more space is needed, attach schedule.)

Table with 2 columns: Name and address, Occupation. Multiple rows for listing board members.

3 (a) Does the hospital maintain a full-time emergency room? Yes No
(b) What is the hospital's policy on administering emergency services to persons without apparent means to pay?

(c) Does the hospital have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? Yes No
Explain.

SCHEDULE D.--Hospitals and Medical Research Organizations (Continued)

Part I.--Hospitals (Continued)

4 (a) Does or will the hospital require a deposit from persons covered by Medicare or Medicaid in its admission practices? Yes No
If "Yes," explain.

(b) Does the same deposit requirement apply to all other patients? Yes No
If "No," explain.

5 Does or will the hospital provide for a portion of its services and facilities to be used for charity patients? . Yes No
Explain (include data on the hospital's past experience in admitting charity patients and arrangements it may have with municipal or governmental agencies for absorbing the cost of such care).

6 Does or will the hospital carry on a formal program of medical training and research? Yes No
If "Yes," describe.

7 Does the hospital provide office space to physicians carrying on a medical practice? Yes No
If "Yes," attach a list setting forth the name of each physician, the amount of space provided, the annual rent (if any), and the expiration date of the current lease.

Part II.--Medical Research Organizations

1 Name the hospital(s) with which you have a relationship and describe the relationship(s).

2 Describe your present and proposed (indicate which) medical research activities, show the nature of the activities, and the amount of money which has been or will be spent in carrying them out. (Making grants to other organizations is not direct conduct of medical research.)

3 Attach a statement of assets showing the fair market value of your assets and the portion of the assets directly devoted to medical research.

SCHEDULE E.—Homes for Aged

1 What are the requirements for admission to residency? Explain fully and attach promotional literature and application forms.

2 Does or will the home charge an entrance or founder's fee? Yes No
If "Yes," explain.

3 What periodic fees or maintenance charges are or will be required of its residents?

4 (a) What established policy does the home have concerning residents who become unable to pay their regular charges?

(b) What arrangements does the home have or will it make with local and Federal welfare units, sponsoring organizations, or others to absorb all or part of the cost of maintaining those residents?

5 What arrangements does or will the home have to provide for the health needs of its residents?

6 In what way are the home's residential facilities designed to meet some combination of the physical, emotional, recreational, social, religious, and similar needs of the aged?

7 Has the home established or will it establish any reserves for future expenditures? Yes No
If "Yes," state the source of such reserves and explain how they will be used.

8 Attach a sample copy of the contract or agreement the organization makes with or requires of its residents.

SCHEDULE F.—Litigating Organizations (Public Interest Law Firms and Similar Organizations)

1 Will the organization conform to the guidelines for organizations engaged in litigation activities issued by the Internal Revenue Service in Rev. Proc. 71-39, 1971-2 C.B. 575, and Rev. Proc. 75-13, 1975-1 C.B. 662? Yes No
If "No," explain.

2 What is the organization's area of public interest or concern?

3 Is the organization set up primarily to try the case of a particular person or prosecute a particular cause of action? Yes No
If "Yes," explain.

4 What are the organization's criteria for selection of cases?

5 In what cases has the organization started legal proceedings and in what other cases is it preparing to start proceedings? Describe the legal issues involved in each case and explain how they relate to the organization's area of concern.

6 (a) Composition of the organization's board of directors or trustees:

Name and address	Business or Occupation

(b) Will any of the attorneys hired by the organization be a trustee or member of the board of directors of the organization or be associated in the practice of law with any such trustee or member? Yes No
If "Yes," explain.

7 Does or will the organization share office space with a private law firm? Yes No
If "Yes," explain.

8 Does or will the organization receive fees for its professional services? Yes No
If "Yes," explain.

SCHEDULE G.—National or International Amateur Sports Competition

1 Does your organization directly or indirectly provide any facilities or equipment for the use of amateur athletes engaged in national or international sports competition? Yes No
If "Yes," explain.

2 How do you foster national or international sports competition?

3 Do you provide financial assistance to amateur athletes? Yes No

FCNL Education Fund
245 Second Street, N.E.
Washington, D.C. 20002

Table of Exhibits to
Form 1023

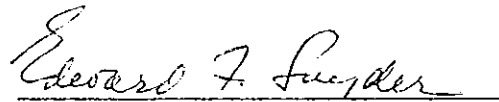
- | | |
|----------------|--|
| 1. Exhibit A | Declaration regarding conforming copies |
| 2. Exhibit B | Certificate of Incorporation |
| 3. Exhibit C | By-Laws |
| 4. Exhibit D | Expense Reimbursement and Allocation Agreement |
| 5. Exhibit E | Proposed Budget |
| 6. Form 2848-D | |
| 7. Form SS-4 | |

FCNL Education Fund
245 Second Street, N.E.
Washington, D.C. 20002

Exhibit A
(Attachment to Form 1023)

FCNL Education Fund

I hereby certify that all documents submitted herein represent conforming copies of original documents, and as such are complete and accurate in all respects.

A handwritten signature in cursive script, reading "Edward F. Snyder", is written over a horizontal line.

Edward F. Snyder, Secretary

FCNL EDUCATION FUND - BY-LAWS

ARTICLE I

Name

The name of the corporation shall be the FCNL EDUCATION FUND (hereinafter referred to as "the Corporation").

ARTICLE II

The principal office of the corporation shall be located at 245 Second Street, N.E., Washington, D.C. 20002 or such other place in the District of Columbia as the Board of Directors may designate from time to time.

ARTICLE III

Purposes

The corporation is organized and will be operated exclusively for charitable, scientific, literary and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law). In furtherance of these purposes, the corporation will seek to educate members of the Religious Society of Friends and other citizens with respect to issues in those areas which touch upon the concerns and causes that Friends have at heart.

ARTICLE IV

Board of Directors

Section 1. Composition of Board. The corporation's affairs shall be managed by a Board of Directors composed of

not less than five (5) nor more than twenty (20) directors, except for the initial meetings of the Board of Directors. At the initial meetings of the Board of Directors, held after the filing of the Corporation's Articles of Incorporation, the three incorporators named therein shall compose the Board of Directors, shall serve as interim directors, and shall manage the Corporation until such time as permanent directors are elected. The initial incorporators shall elect as permanent or elected directors, which shall number at least five (5) and no more than twenty (20), all of the persons who shall have been duly certified by the Executive Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC., a nonprofit corporation organized in the District of Columbia, as having been appointed as directors of FCNL EDUCATION FUND, INC., by the Executive Committee of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. to serve as directors of the Corporation beginning on the date of appointment certified by the Executive Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. The initial incorporators shall elect permanent or elected directors at its initial meeting following receipt of a certified list of such directors from the Executive Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. Provided, that at least two of the directors certified by the Executive

Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. shall not be members of the Executive Committee of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC., nor shall they be officers or employees of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC.

Section 2. Terms of Office. The terms of office of each of the elected directors shall be one year from the date of appointment certified by the Executive Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. and until his/her successor shall have been duly certified and elected, provided that a director may be removed pursuant to Section 3 of this Article.

Section 3. Removal of Directors. The Executive Committee of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. may remove a director of the Board of FCNL EDUCATION FUND, INC. with or without cause at any time and its Executive Secretary shall duly certify by written communication the removal of any director to the Board of Directors of FCNL EDUCATION FUND, INC.

Section 4. Vacancies. The Executive Committee of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. may appoint any person to fill a vacancy caused by removal or otherwise on the Board of Directors of FCNL EDUCATION FUND, INC. and upon certification by the Executive Secretary of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC., the Board of

Directors of FCNL EDUCATION FUND, INC. shall elect as directors such appointed persons. A director elected to fill a vacancy shall be elected for a term of one year from his/her certified date of appointment and until his/her successor shall have been duly certified and elected, or until such time as he/she is removed from directorship pursuant to Section 3 above.

Section 5. Compensation Directors shall not receive any compensation for their services as directors of the corporation. Directors may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the corporation, provided that such reimbursement in no way adversely affects the corporation's qualification under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

Section 6. Chair of the Board. The Chair of the Board of Directors shall be selected by the directors then in office in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus and shall serve in that capacity for a term of one year. The Chair shall preside at all meetings of the Board of Directors.

Section 7. Dissolution or Termination of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC.. In the event that

FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. shall be legally dissolved or its activities otherwise terminated, the directors of FCNL EDUCATION FUND, INC. at that date shall serve without term, or until such time as these bylaws are revised, and the corporation shall be managed by a self-perpetuating Board of Directors.

ARTICLE V

Meetings of the Board of Directors

Section 1. Notice Meetings of the Board of Directors, regular or special, may be held within or without the District of Columbia upon not less than ten (10) days notice to each director, either personally or by mail, telephone or telegram, subject to waiver of notice as provided in the District of Columbia Nonprofit Corporation Act. Unless otherwise specified in these by-laws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Regular meetings shall be held at least once each year or more often as established by resolution of the Board of Directors. Special meetings of the Board of Directors may be called by the Chair of the Board or by the written request of at least three directors. The place of the meeting shall be specified in the notice of the meeting. All meetings shall be

conducted in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus.

Section 2. Annual Meeting. An annual meeting of the Board of Directors shall be held each year for the purpose of selecting officers of the corporation and for the transaction of such other business as may be properly brought before the meeting. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the District of Columbia, for the holding of additional regular meetings.

Section 3. Quorum. At all meetings of the Board of Directors, either regular or special, one-third (1/3) of the directors then in office shall constitute a quorum. Unless otherwise specified in these by-laws, the act of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors.

ARTICLE VI

Committees

Section 1. Management Committees. The Board of Directors, by resolution adopted in accordance with the

traditional Friends' business procedure of reaching decisions by means of consensus, may designate and appoint one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, provided that no committee so designated and appointed shall have the authority to take any action on a matter that these by-laws provide shall be determined by the Board of Directors.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated and appointed by a resolution of the Board of Directors.

Section 3. Committee Meetings. Committee meetings shall be conducted in such manner as the Board of Directors shall decide, provided that accurate records of the acts and proceedings of all meetings of any committees created pursuant to Section 1 of this Article shall be kept by a member of each such committee.

ARTICLE VII

Officers

Section 1. Officers of the Corporation. The officers of the corporation shall consist of a Chair, a Vice-Chair, a Secretary, a Treasurer, an Assistant

Treasurer, and such other officers as the Board of Directors may elect from time to time, provided that the Treasurer and the Assistant Treasurer shall not be the same individuals who hold the offices of Treasurer or Assistant Treasurer of FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC. Any two or more offices may be held by the same person except the offices of Chair and Secretary, provided that no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Selection and Term of Officers. The officers of the corporation shall be selected at each annual meeting of the Board of Directors by the directors then in office in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus. Each officer so selected shall hold office for a term of one year and until his/her successor shall have been selected and qualified, or until such time as he/she is removed as provided in Section 3 of this Article.

Section 3. Removal of Officers. Any officer or agent selected or appointed by the Board of Directors may be removed at any time by the directors then in office in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus whenever in their judgment the best interests of the corporation will be served thereby.

Section 4. Vacancies. Any vacancy occurring in an office of the corporation may be filled by the directors then in office in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus. Any officer so selected to fill a vacancy shall be selected for the unexpired term of his/her predecessor in office.

Section 5. Compensation. Officers shall not receive any compensation for their services as officers of the corporation. Officers may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the corporation, provided that such reimbursement in no way adversely affects the corporation's qualification under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

Section 6. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the corporation to give bond to the corporation, with sufficient sureties, conditioned on the faithful performance of the duties of his/her respective office or position, and to comply with such other conditions as may be required from time to time by the Board of Directors. The premiums for all such bonds shall be paid by the corporation.

Section 7. Duties of President. The Chair shall be the chief executive officer of the corporation and

shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 8. Duties of Vice-Chair. In the absence of the Chair or in the event of his/her death, inability or refusal to act, the Vice-Chair, unless otherwise determined by the Board of Directors, shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair.

Section 9. Duties of Secretary. The Secretary shall keep or cause to be kept accurate records of the acts and proceedings of all meetings of the Board of Directors. He/she shall give or cause to be given all notices required by law and by these by-laws. He/she shall have general charge of the corporation's books and records. He/she shall sign such instruments as may require his/her signature. He/she shall in general perform or cause to be performed all duties incident to the office of the Secretary and such other duties as shall be assigned to him/her from time to time by the Chair or by the Board of Directors.

Section 10. Duties of Treasurer. The Treasurer and his/her delegates shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He/she shall keep or cause to be kept

full and accurate accounts of the finances of the corporation. He/she shall make or cause to be made a true statement of the assets and liabilities of the corporation as of the close of each fiscal year to be made and filed at the corporation's principal office within a reasonable time after the end of each fiscal year.

Section 11. Duties of Assistant Treasurer. The Assistant Treasurer shall assist the Treasurer in performing his/her functions.

ARTICLE VIII

Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such

manner as shall be determined from time to time by resolution of the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors may select.

ARTICLE IX

General Provisions

Section 1. Waiver of Notice. Whenever any notice is required to be given to any director or other person under the provisions of these by-laws, the Articles of Incorporation or by applicable law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 2. Voting Upon Shares of Other Corporations. Unless otherwise ordered by the Board of Directors, the Chair shall have full power and authority on behalf of the corporation to vote either in person or by proxy at any meeting of shareholders of any corporation in which this corporation may hold shares, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such shares, which, as the owner thereof, this corporation might have possessed and exercised if

present. The Board of Directors may confer like powers upon any other person, and may revoke any such powers as granted at its pleasure.

Section 3. Prohibition Against Sharing in Corporate Earnings. No director, officer or employee of, or person connected with, the corporation, or any other private individual shall receive at any time any earnings or pecuniary profits from the operations of the corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the corporation. All directors and officers of the corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Board of Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Board of

Directors, exclusively to charitable, religious, scientific, literary or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

Section 4. Exempt Activities. Notwithstanding any other provision of these by-laws, no director, officer, employee or other representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law) or by organizations contributions to which are deductible under Section 170(c)(2) of such Code (or the corresponding provision of any future United States internal revenue law).

Section 5. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

ARTICLE X

AMENDMENTS

These by-laws may be amended or repealed and new by-laws may be adopted by the directors then in office in accordance with the traditional Friends' business procedure of reaching decisions by means of consensus, provided that

prior written notice has been given to all members of the Board of Directors of the proposed amendments at least ten (10) days in advance of the meeting, and provided further that no such action shall be taken if it would in any way adversely affect the corporation's qualification under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

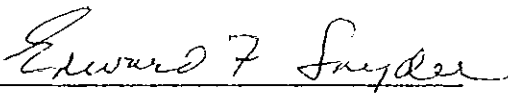
Adopted: .

Attest:

Secretary

I, Edward F. Snyder do hereby certify that I am the duly elected and qualified Secretary of FCNL Education Fund, a corporation organized under the laws of the District of Columbia, and that the foregoing is a true and correct copy of the bylaws adopted at a meeting of the Board of Directors thereof convened and held in accordance with law and the Articles of Incorporation of said corporation on June 29, 1982.

In witness whereof, I have affixed my name as Secretary this 8th day of July 1982.


Edward F. Snyder
Secretary

FCNL Education Fund
245 Second Street, N.E.
Washington, D.C. 20002

July 8, 1982

Exhibit D
(Attachment to)
Form 1023

EXPENSE REIMBURSEMENT AND ALLOCATION AGREEMENT

Between

FRIENDS COMMITTEE ON NATIONAL LEGISLATION, INC.

And

FCNL EDUCATION FUND, INC.

Agreement made and entered into by Friends Committee on National Legislation, Inc. (hereinafter referred to as "Committee") and FCNL Education Fund, Inc. (hereinafter referred to as "Fund").

Whereas, Committee performs lobbying and legislative functions with respect to issues of concern to the Religious Society of Friends, and also performs educational and research functions with respect to these same issues; and

Whereas, Fund intends to perform educational and research functions, not involving lobbying and legislative functions, with respect to issues of concern to the Religious Society of Friends; and

Whereas, Committee currently has in its employ individuals who perform services for Committee, and who are paid by Committee; and

Whereas, the premises on which these individuals perform their services and the equipment used by them are furnished by Committee; and

Whereas, Committee and Fund believe that it would be to their mutual benefit for the present employees of Committee to perform research and educational services for Fund.

Now, therefore, it is agreed by the parties hereto as follows: employees of Committee shall render research and educational services to Fund, and Committee shall be reimbursed by Fund for the cost of those services in accordance with the following terms:

Billable Expenses

Billable expenses shall include the following:

(1) Employee Compensation.

a. Legislative secretaries and legislative interns shall submit a monthly record of time expended on research

and educational services (including a description of subject matter). These services shall include time spent on:

- Basic research, such as budget analysis and gathering of statistics.
- Preparation of staff studies and other background documents, which are to be distinguished from legislatively-focused materials such as newsletters, action bulletins, testimony, analysis of bills or debates.
- Preparing for, carrying out and traveling to and from engagements of an educational, informational or religious nature at schools, churches, seminars and other gatherings.
- Writing for general publications on non-lobbying matters.
- Consultation with individuals, representatives of Friends and other organizations on subjects of a general informational or educational nature.
- Participation in the work of other organizations which are section 501(c)(3) organizations.

b. Secretaries to legislative secretaries shall be deemed to have worked for the Fund in the same proportion as the legislative secretaries for whom they work.

c. Fund shall be billed on an hourly basis for general administrative services performed by Committee Staff such as preparing agendas and minutes for Fund board meetings, preparing Fund's budget and maintaining Fund's books and records.

d. One-third of the salary cost of the finance secretary and the field secretaries shall be allocated to Fund. This percentage shall be evaluated annually in the light of ancillary services required in raising funds, maintaining records and in carrying on necessary development work.

e. In addition to the above specifically allocated services, all staff members will provide certain administrative and other support to the Fund through participation in telephone answering, public relations, general interpretation, responding to inquiries, maintaining files and historical records and staff meetings. Accordingly, one-tenth of the residual, unallocated salary cost of each staff member shall be charged to Fund.

f. Travel costs incurred by all staff members on behalf of Fund, including time spent in travel, shall be billed to Fund. Travel costs incurred by staff members, except field secretaries, shall be individually recorded and billed to Fund. One-third of field secretaries travel cost shall be billed to Fund.

g. In all cases where an hourly rates is used, it shall be computed on the basis of 1/37.5 of the total weekly salary rate, including retirement and other fringe benefits, of the person involved.

(2) Administrative and Overhead Costs.

a. Committee shall bill Fund for one-third of the following costs:

Phone

Postage (non-Newsletter)

Equipment

Business expenses

Office supplies

Duplicating

b. Commercial printing costs should be allocated between Committee and Fund on a case by case basis, depending on their purpose.

c. Audit costs for Fund shall be billed to Fund.

d. The costs of writing, typesetting, printing and mailing the FCNL Washington Newsletter shall not be billed to Fund.

(3) Library and Periodicals

a. Fund shall pay subscription and other costs for newspapers, magazines, resource books, budget documents, statistical abstracts and other material.

b. Committee may also bill Fund for the purchase of educational documents in bulk quantity for distribution to Friends and others.

c. Cost of Capital Services Inc. Report, Congressional Quarterly and Congressional Record subscriptions shall not be billed to Fund.

(4) Rent.

Fund may be billed for up to one-third of the space occupied by Committee at 245 Second Street, N.E., at a square foot rate equal to that paid by Committee's other tenants for space in the same building.

Modification

This agreement shall be subject to periodic review. If, in light of experience or changed conditions, it appears that any of the procedures for expense reimbursement or allocation set out above are not reflective of actual cost, appropriate amendments shall be made to this agreement.

Method of Reimbursement

Committee will render a monthly bill to Fund. The bill shall be itemized, setting forth in detail the reimbursable costs for which Committee is billing Fund. Committee will not include a profit component in its bill. The bill shall be payable within thirty days of receipt.

Effective Date

This Agreement shall become effective immediately.

Termination

This Agreement shall remain in effect until terminated by one or both parties. In the event a party wishes to terminate the Agreement it shall notify the other party in writing of such intent. The Agreement will terminate thirty days after written notice of termination is delivered to the other party.

In Witness Whereof, the parties hereto have hereunto set their hands.

FRIENDS COMMITTEE ON NATIONAL
LEGISLATION, INC.

BY Edward F. Snyder

FCNL EDUCATION FUND, INC.

BY Robert Potter

FCNL Education Fund
 245 Second Street, N.E.
 Washington, D.C. 20002

Exhibit E
 (Attachment to Form 1023)

Projected Budget

<u>Expenses</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Salary and Benefits	\$29,375	\$117,500	\$125,560
Travel	3,125	12,500	13,600
Phone	750	3,000	3,180
Postage	850	3,400	3,600
Equipment	900	3,600	3,800
Business Expenses	385	1,535	1,610
Office Supplies	335	1,340	1,420
Duplicating	780	3,125	3,300
Commercial Printing	2,500	10,000	10,600
Distribution	500	2,000	2,100
Publication and Periodicals	500	2,000	2,100
Contributions to § 501(c)(3) Organizations	250	1,000	1,000
Audit	250	1,000	1,050
Rent	7,000	28,000	27,680
	<u>\$47,500</u>	<u>\$190,000</u>	<u>\$202,600</u>
<u>Income</u>			
Meeting Contributions	\$ 6,250	\$ 25,000	\$ 25,000
Individual Contributions	40,000	160,000	172,600
Sale of Literature	<u>1,250</u>	<u>5,000</u>	<u>5,000</u>
	<u>\$47,500</u>	<u>\$190,000</u>	<u>\$202,600</u>

Tax Information Authorization and Declaration of Representative

▶ See separate instructions.

Tax Information Authorization

For Privacy Act and Paperwork Reduction Act
 Notice, see page 1 of separate instructions.

Taxpayer(s) name, identifying number, and address including ZIP code

FCNL Education Fund
 245 Second Street, N.E.
 Washington, D.C. 20002

hereby authorizes (name(s), address(es) including ZIP code(s), and telephone number(s))

Bruce D. Lindsay John B. Jones, Jr.	both of: 1201 Pennsylvania Ave., N.W. P.O. Box 7566 Washington, D.C. 20044 (202) 662-6000
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to receive from or inspect confidential tax information in any office of the Internal Revenue Service for the following tax matter(s).

Type of Tax (Individual, corporate, etc.)	Federal tax form number (1040, 1120, etc.)	Year(s) or period(s) (Date of death if estate tax)
Application for tax-exempt status	Form 1023	1982

Initial here ▶..... if you do NOT want the above named designee(s)* to act as the taxpayer's representative(s) before the Internal Revenue Service and to make written or oral presentations of fact or argument on behalf of the taxpayer for the above tax matters.

Send copies of notices and other written communications (excluding refund checks and routine mailings of tax forms) addressed to the taxpayer(s) in proceedings involving the above tax matters to:

- 1 the representative first named above, or
- 2 (names of not more than two of the above named representatives).

This tax information authorization revokes all earlier tax information authorizations on file with the Internal Revenue Service for the same tax matters and years or periods covered by this authorization, except the following:

(Specify to whom granted, date, and address including ZIP code, or refer to attached copies of earlier authorizations.)

This tax information authorization does NOT revoke any earlier powers of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this form, except the following:

(Specify to whom granted, date, and address including ZIP code.)

Signature of or for taxpayer(s)

(If signed by a corporate officer, partner, or fiduciary on behalf of the taxpayer, I certify that I have the authority to execute this tax information authorization on behalf of the taxpayer.)

<i>Robert Jetter</i> (Signature)	Clerk of the General Committee (Title, if applicable)	July 8, 1982 (Date)
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(Signature) (Title, if applicable) (Date)

*If you initial this space, thus authorizing your designee(s) only to receive and inspect confidential information about your tax matters, your designee(s) may be an organization, firm, or partnership. If you do not initial this space, intending that your designee(s) act as your representative(s), only individuals may be named as your representative(s).

DECLARATION Declaration of Representative

I declare that I am not currently under suspension or disbarment from practice before the Internal Revenue Service, that I am aware of Treasury Department Circular No. 230 as amended (31 C.F.R. Part 10), Regulations governing the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others, and that I am one of the following:

- 1 a member in good standing of the bar of the highest court of the jurisdiction indicated below;
- 2 duly qualified to practice as a certified public accountant in the jurisdiction indicated below;
- 3 enrolled as an agent pursuant to the requirements of Treasury Department Circular No. 230;
- 4 a bona fide officer of the taxpayer organization;
- 5 a full-time employee of the taxpayer;
- 6 a member of the taxpayer's immediate family (spouse, parent, child, brother or sister);
- 7 a fiduciary for the taxpayer;
- 8 an unenrolled return preparer pursuant to section 10.7 of Circular No. 230;
- 9 an enrolled actuary (The authority of an enrolled actuary to practice before the Service is limited by section 10.3(c)(1) of Treasury Department Circular No. 230);
- 10 other (specify) ➤

and that I am authorized to represent the taxpayer identified in Part I for the tax matters there specified.

Designation (Insert appropriate number from above list)	Jurisdiction (State, etc.) or Enrollment Card Number	Signature	Date
Attorney	D.C.	<i>Michael S. Jindal</i>	7/6/82
Attorney	D.C.	<i>John B. Jindal</i>	7/6/82