

NORTHSHORE COMMUNITY FOUNDATION
PUBLIC DISCLOSURE POLICY

Northshore Community Foundation (hereinafter the "Organization") adopts the following policy regarding the public disclosure of governing documents, conflicts of interest policy and financial statements, to-wit:

If the articles of incorporation and bylaws (the "Governing Documents"), conflict of interest policy (the "Conflict of Interest Policy") and financial statements (the "Financial Statements") of the Organization are subject to the federal or state public disclosure rules, these documents will be made publicly available as applicable law may require. Otherwise, the Governing Documents, Conflict of Interest Policy and Financial Statements may be provided to the public in the discretion of the Board of Directors.

In connection with the Public Disclosure Policy, please find below an overview of the federal requirements for exempt organizations:

Disclosure Rules

Form 1023. Federal law requires an exempt organization to make available for public inspection, without charge, its application for tax-exempt status (if it has filed the application). An application includes the application form (Form 1023), all documents and statements the IRS requires the organization to file with the form, any statement or other supporting document submitted by an organization in support of its application, and any letter or other document issued by the IRS concerning the application.¹

If a charity did not have a copy of its tax-exempt application on July 15, 1987 and the application was filed before July 15, 1987, there is no requirement to disclose the Form 1023. So, for organizations that filed Form 1023 and do not meet this July 15, 1987 exception, the Form 1023 should be in their files so they may be prepared to comply with the public disclosure rules.

Form 990 & 990-EZ. Federal law also requires an exempt organization to make its annual information returns (Form 990) available for public inspection without charge in the same offices (see above) during regular business hours.² Each return must be made available for a period of three years, beginning on the date the return is required to be filed, whichever is later.

Form 990-T. If filed after August 17, 2006, the Pension Protection Act of 2006 now requires IRC Section 501(c)(3) organizations to make their Form 990-T available for public inspection. However, this requirement does not apply if the Form 990-T was filed only to request a credit for federal telephone taxes paid.³

Charges for copies. An exempt organization must provide a copy without charge, other than a reasonable fee for reproduction and actual postage costs, of all or any part of any application for recognition of exemption or return required to be made available for public inspection to any individual who makes a request for the copy in person or in writing.⁴

Timeliness of compliance. Generally, a nonprofit organization must provide copies of the documents, in response to an in-person request, at its principal, regional, and district offices during regular business hours. Also generally, the organization must provide the copies to a requestor on the day the request is made.⁵

In the case of an in-person request, when unusual circumstances exist so that fulfillment of the request on the same business day places an unreasonable burden on the nonprofit organization, the copies must be provided on the next business day following the day on which the unusual circumstances cease to exist or the fifth business day after the date of the request, whichever occurs first.

If a request is made in writing, the nonprofit organization receiving a written request for a copy must mail the copy within 30 days from the date it receives the request. If, however, a nonprofit organization requires payment in advance, it is only required to provide the copy within 30 days from the date it receives payment. ⁶

Widely available exception. A nonprofit organization is not required to comply with requests for copies of its application for recognition or annual information return if the organization has made the document widely available. ⁷ The rules as to public inspection of the documents continue to apply.

A nonprofit organization can make its application or a return widely available by posting the document on an Internet page that the organization establishes and maintains. It can also satisfy the exception of the document is posted as part of a database of similar documents of other exempt organizations on an Internet page established and maintained by another entity. ⁸

Harassment campaign exception. If the IRS determines that a nonprofit organization is the subject of a harassment campaign and that compliance with the requests that are part of the campaign would not be in the public interest, the organization is not required to fulfill a request for a copy that it reasonably believes is part of the campaign. ⁹

There is a procedure to follow for applying to the IRS for a determination that the organization is the subject of a harassment campaign (there is no form). The organization may suspend compliance with respect to the request, as long as the application is filed within 10 days after harassment is suspected, until the organization receives a response from the IRS. ¹⁰

¹ IRC Section 6104(d)(1)(A)

² IRC Section 6104(d)(1)(A)

³ IRC Section 4965 For further information: <http://www.irs.gov/charities/charitable/article/0,,id=169963,00.html>

⁴ IRC Section 6104(d)(1)(B)

⁵ Reg. 301.6104(d)-3(d)(1)(i)

⁶ Reg. 301.6104(d)-3(d)(2)(ii)

⁷ IRC Section 6104(d)(4); Reg. 301.6104(d)-4(a)

⁸ Reg. 301.6104(d)-4(b)(2)(i)

⁹ IRC Section 6401(d)(4); Reg. 301.6104(d)-5(a)

¹⁰ Reg. 301.6104(d)-5(d), (e)