

Date

Address

Dear <Name of Donor>,

First, thank you for your contributions and support this past year. As a generous donor, you have reached the level of support with <Organization name> where the Internal Revenue Service (IRS) classifies you as a substantial contributor. For all tax years beginning in 2014, the IRS has added a requirement that organizations must exercise reasonable efforts in obtaining information from substantial contributors. As such we need to ask you three questions.

The IRS requires all organizations to make additional inquiries of substantial contributors to determine if there were transactions between the organization and these individuals, their family members and/or entities they own or have a beneficial interest in of greater than 35% and the reporting organization. If there is a transaction, and if it is over the reporting thresholds, there may be a disclosure on the annual Form 990, Return of Organization Exempt from Income Tax.

Please read the questions below. If the answers to all three questions are “no,” then we do not require any additional information. If, however, the answer to any of the questions is “yes,” please contact us as indicated below so that we can obtain the additional information required to fully complete our Form 990.

Because these are inquiries from the IRS, there are specific definitions and lists that are important. We have provided these for your reference on the second page of this letter.

Did you, any of your family members, and any entities that you owned more than 35%, collectively with family members, the other individuals listed on the subsequent page(s), and their family members have the following events:

1. On the last day of <Organization name>'s tax year <year-end date> there were outstanding loans to or from <Organization name>?
2. At any time during the year ending <year-end date> any benefits in the form of grants or assistance from <Organization name> were received?
3. At any time during the year ending <year-end date> a business transaction occurred with <Organization name>?

Again, if you answered no to all three questions, please accept our sincere thanks for your support over the past year. **No additional action is required.**



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1700
Bellevue WA
98004

clarknuber.com

If you answered yes to any of the three questions please contact <name> at <phone number> or <email> so that we can determine if there is additional disclosure required on our 2014 Form 990.

We appreciate our assistance in remaining a fully compliant tax exempt organization.

Sincerely,

<Executive Director>

<Organization Name>

Definitions for Substantial Contributor Form 990 Interested Person Inquiry:

Family Member:

- Your spouse,
- ancestors,
- brothers and sisters (whether whole or half-blood),
- children (whether natural or adopted),
- grandchildren,
- great-grandchildren, and
- Spouses of brothers, sisters, children grandchildren and great-grandchildren.

35% Controlled Entity

An entity that is owned, directly or indirectly more than 35% by you or your family members (see above definition of family members).

- For a corporation, control/ownership is measured by voting power.
- For a partnership or LLC, control/ownership is measured by profits interest.
- For a trust or estate, control/ownership is measured by beneficial interest.

An example of indirect ownership which would constitute more than 35% control would be:

Direct ownership of an 80% profits interest in a partnership that holds a 50% ownership interest in another partnership results in a 40% indirect ownership in the second partnership.

If you have any trouble with these definitions or any element of this inquiry, please contact <name> at <phone number> or <email>.

List of Other Individuals for the 3 Questions

<Enter the interested persons list needed for the substantial contributors. If you are using Form 990 Questionnaire created by Clark Nuber and Eve Borenstein, then add all the individuals in the 'distribution list' with the exception of the current and former highest compensated employees. In addition, include all substantial contributors and founders of the organization that are not included on the listing.

If you are not using that tool, please list the following individuals:

- 1) Current and former trustees, directors, officers, key employees (reported in Part VII of the Form 990);
- 2) Grantee selection committee members (if the organization makes grants); and
- 3) Founders or creators of the organization.>