

Application for Recognition of Exemption (99) Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

(Use with the June 2006 revision of the Instructions for Form 1023 and the current Notice 1382)

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Friends of the Marblehead Fireworks, Inc.		c/o Alexander Falk	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
452 Atlantic Ave		46-4756810	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01-12)	
Marblehead, MA 01945		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 978-317-4271	
a Name: Alexander Falk		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
9a Organization's website: http://fireworksforever.org			
b Organization's email: (optional) marblehead@fireworksforever.org			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 2 / 10 / 2014			
12 Were you formed under the laws of a foreign country? If "Yes," state the country. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Part II Organizational Structure

You must be a corporation (including a limited liability corporation), an unincorporated association, or a trust to be tax exempt. (See instructions). **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**

- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**

- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**

- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**

- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under Section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article III, Section 3.01

- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Page 2, Article IV, Section 4.03
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: _____

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Alexander Falk	President	452 Atlantic Ave Marblehead, MA 01945	\$0
Eyal Oren	Vice President	21 Shetland Rd Marblehead, MA 01945	\$0
Timothy Green	Secretary	45 Gerald Rd Marblehead, MA 01945	\$0
Charles Gessner	Treasurer	20 Gregory St Marblehead, MA 01945	\$0
Peter Schalck	Member at Large	148 Elm St Marblehead, MA 01945	\$0

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? Yes No
If "Yes," identify the individuals and explain the relationship.
- b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No
- c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No
- b** Do you or will you approve compensation arrangements in advance of paying compensation? Yes No
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
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- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
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- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
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- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
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- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
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- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f** Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1a** In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? Yes No
If "Yes," describe each program that provides goods, services, or funds to individuals.
- b** In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? Yes No
If "Yes," describe each program that provides goods, services, or funds to organizations.
- 2** Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3** Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1** Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2** Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1** Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a** Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b** Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a** Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b** Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c** List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake fundraising? If "Yes," check all the fundraising programs you do or will conduct. Yes No
(See instructions.)

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization's website
- government grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. Yes No

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. Yes No

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. Yes No

5 Are you affiliated with a governmental unit? If "Yes," explain. Yes No

6a Do you or will you engage in economic development? If "Yes," describe your program. Yes No

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers develop your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. Yes No

b Do or will persons other than your employees or volunteers manage your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. Yes No

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into joint ventures, including partnerships or limited liability companies treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. Yes No

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. Yes No

b Do you provide child care so that parents or caretakers of children you care for can be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). Yes No

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). Yes No

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). Yes No

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. Yes No

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Yes No
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- 12a** Do you or will you operate in a foreign country or countries? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. Yes No
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
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- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. Yes No
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. Yes No
- d** Identify each recipient organization and any relationship between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i) Do you require an application form? If "Yes," attach a copy of the form. Yes No
- (ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. Yes No
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
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- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. Yes No
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. Yes No
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. Yes No
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. Yes No
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. Yes No

Part VIII Your Specific Activities (Continued)

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|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
		(a) From <u>1/1/14</u> To <u>12/31/14</u>	(b) From <u>1/1/15</u> To <u>12/31/15</u>	(c) From <u>1/1/16</u> To <u>12/31/16</u>	(d) From _____ To _____	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	12,000	13,200	14,520		39,720
	2 Membership fees received					
	3 Gross investment income					
	4 Net unrelated business income					
	5 Taxes levied for your benefit					
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)					
	8 Total of lines 1 through 7	12,000	13,200	14,520		39,720
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	2,400	2,640	2,904		7,944
	10 Total of lines 8 and 9	14,400	15,840	17,424		47,664
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)					
	12 Unusual grants					
	13 Total Revenue Add lines 10 through 12	14,400	15,840	17,424		47,664
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages					
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)					
	21 Depreciation and depletion					
	22 Professional fees	240	252	264.6		
	23 Any expense not otherwise classified, such as program services (attach itemized list)	14,160	15,588	17,159.4		
	24 Total Expenses Add lines 14 through 23	14,400	15,840	17,424		

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Assets		1	150
1	Cash	1	150
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	150
Liabilities			
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	150
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	150
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
 (Signature of Officer, Director, Trustee, or other authorized official)

.....
 (Type or print name of signer)

.....
 (Date)

.....
 (Type or print title or authority of signer)

For IRS Use Only

.....
 IRS Director, Exempt Organizations

.....
 (Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).
- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$850. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$400. See instructions for Part XI, for a definition of gross receipts over a 4-year period. Your check or money order must be made payable to the United States Treasury. User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? Yes No
 If "Yes," check the box on line 2 and enclose a user fee payment of \$400 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$850 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$400 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$850 (Subject to change).

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

Please Sign Here 


 (Signature of Officer, Director, Trustee, or other authorized official)

ALEXANDER FALK
 (Type or print name of signer)

02/26/2014
 (Date)

PRESIDENT
 (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

See attached narrative.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

3a. For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

See attached list.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

5a. Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c.

The attached Conflict of Interest Policy has been adopted by board resolution.

Part VI Your Members and Other Individuals and Organizations That receive Benefits From You

1a. In carrying out your exempt purposes, do you provide goods, services, or funds to individuals?

If "Yes," describe each program that provides goods, services, or funds to individuals.

At the discretion of the board of directors, we may provide goods or services to individuals who are interested in the fireworks in the Town of Marblehead and surrounding communities. That will include educational materials (e.g. our educational publications and flyers). In order to do so, we identify these individuals based on our research and online outreach. These individuals will be selected regardless of their religion, race, ethnicity, and age. These individuals are not known ahead of time, and specifically at the time of preparing this application.

Part VI Your Members and Other Individuals and Organizations That receive Benefits From You

1b. In carrying out your exempt purposes, do you provide goods, services, or funds to organizations?

If "Yes," describe each program that provides goods, services, or funds to organizations.

At the discretion of the board of directors, we may provide funds to the Town of Marblehead to help finance the 4th of July Fireworks. The Town of Marblehead has a long-standing tradition of financing the Independence Day Fireworks out of donations by its citizens as well as local businesses and community organizations, such as local yacht clubs, Rotary Club, Masons, etc. The Fireworks are financed exclusively from donations to the Town's fireworks fund and are not paid for with taxpayer dollars.

Part VIII Your Specific Activities

4a. Do you or will you undertake fundraising? Attach a description of each fundraising program.

Other (describe):

Please see attached document.

Part VIII Your Specific Activities

4d. List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

Friends of the Marblehead Fireworks, Inc. is primarily based in the state of Massachusetts, however, we will engage in fundraising in all 50 states of the United States whether via Internet solicitation or mail-outs.

We will not raise funds for other organizations; No other organization will raise funds for us and we will only fundraise for ourselves. This rule holds true for all 50 States of the United States.

Part VIII Your Specific Activities

4e. Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors.

We do not anticipate soliciting contributions where the donor has the right to advise how to use or distribute the funds.

However, we will comply with and recognize special requests, notes, terms and conditions which are specified by contributors and will maintain a separate account for that specific donation. An example of this rule is foundation grants.

There may be situations whereby we solicit a foundation grant for a specific purpose; (e.g. education) and in those cases the grant, if awarded, will probably have restrictions on the activities it can support. Honoring those terms is inherent in the grant application process.

Part VIII Your Specific Activities

11. Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution.

We may accept contributions of: real property, closely held securities, intellectual property such as patents, trademarks, and copyrights, works of music or art, licenses, royalties, automobiles, boats, planes, or other vehicles, or collectibles of any type if said contributions further the purposes of this corporation. We will not accept donations if any conditions imposed by the donor on the contribution limit the corporation's ability to achieve its purposes or force this corporation to conduct activities that are not in furtherance of 501(c)(3) purposes. We will ensure that donations are accepted in accordance with 501(c)(3) regulations and we will properly determine fair market value according to IRS Publication 561. We currently have no specific plans, but it's prudent to mention the possibility.

Part VIII Your Specific Activities

13b. Describe how your grants, loans, or other distributions to organizations further your exempt purposes.

Please see attached document for answers to 13a and 13b.

Part VIII Your Specific Activities

13d. Identify each recipient organization and any **relationship** between you and the recipient organization.

We currently have no specific recipient organization in mind, but it's prudent to mention the possibility.

Part VIII Your Specific Activities

13e. Describe the records you keep with respect to the grants, loans, or other distributions you make.

Distributions to other organizations will be documented with copies of receipts, letters or other relevant documents.

According to our bylaws, any distribution would have to be approved by the board of directors. The method of approval would be documented.

Part VIII Your Specific Activities

13g. Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.

The board of directors will conduct due diligence and maintain control of any funds contributed to any organizations regardless of their exempt status and will comply with all applicable laws and guidelines to further our exempt status. We will require recipients to provide at least annual reports on the use of resources.

Form 1023 – Part IV – Narrative Description of Your Activities

Purpose

Friends of the Marblehead Fireworks, Inc.'s purpose is to educate the public about the annual Fourth of July Fireworks in the Town of Marblehead in the Commonwealth of Massachusetts, and to conduct various fund-raising activities for those fireworks, as well as making charitable donations to the Fireworks Fund at the Town of Marblehead.

Background

Marblehead is a quaint seaside town about 16 miles north of Boston, Massachusetts. Settled in 1629 and incorporated in 1639, Marblehead was home to such notable people as Elbridge Gerry, the 5th Vice President of the United States, John Glover, the Revolutionary War General, and Eugene O'Neill, winner of the 1936 Nobel Prize in Literature. Marblehead also is home to the famous 1875 painting *The Spirit of '76* by Archibald MacNeal Willard, which depicts three soldiers of the American Revolutionary War and is on display at Abbot Hall in Marblehead.

The Town of Marblehead is also unique in another regard: every year on July 4th, the Town celebrates Independence Day with a fireworks display that is not financed from the regular Town budget, but 100% financed from donations by its citizens, local businesses, yacht clubs, and local organizations such as the Masons. The fireworks are shot off a barge at the mouth of Marblehead harbor and are preceded by the harbor illumination – a collaborative effort to frame the entire harbor in a ring of fire, by having all residents and yacht clubs around the harbor light flares 15 minutes before the start of the fireworks. This mesmerizing display has resulted in Marblehead being included in the *Top Ten Places to Celebrate the Fourth* list published by Coastal Living Magazine for several years in a row, making Marblehead the highest-ranked town on the entire East Coast. For more information on the Marblehead Fireworks and Harbor Illumination display, please see the Town's fireworks website at <http://marbleheadfireworks.org/>

Description of Activities

Friends of the Marblehead Fireworks, Inc. fulfills a unique purpose in educating the public about the Marblehead Fireworks: due to the location of the fireworks barge and the available viewing locations in three public parks and two public beaches, as well as from boats in the harbor and residences and yacht clubs around the harbor, there are numerous safety issues related to the fireworks ranging from vehicular traffic to boat traffic to kayakers and pedestrians.

Friends of the Marblehead Fireworks, Inc. will produce pamphlets, flyers, and other literature educating the public about e.g. the need to maintain a safe distance from the fireworks barge during the loading and set up of the fireworks and to observe

the security perimeter established around the barge by the US Coast Guard and Marblehead Harbormaster. Similarly we will be educating the members of local yacht clubs and posting literature at the public landing and yacht club docks to educate the public about this security zone.

Friends of the Marblehead Fireworks, Inc. will be working with local law enforcement and fire department officials as well as with the harbormaster and US Coast Guard to gather all the necessary information and assist the public safety mandate of these entities by producing and distributing educational materials to help better inform the public about the safety issues surrounding the fireworks.

In addition to these important educational programs, Friends of the Marblehead Fireworks, Inc. will also conduct public fund-raising events to raise both awareness for the fireworks and related safety-issues, as well as to ask the public for donations to the programs of the Friends of the Marblehead Fireworks, Inc.

We plan to augment these fund-raising efforts by also soliciting and accepting online donations on our website <http://fireworksforever.org> and potentially by a small volume of sales of mugs, T-Shirts, hats, etc. with the Marblehead Fireworks logo.

We plan to periodically make donations to the Fireworks Fund of the Town of Marblehead. Distributions to the Town of Marblehead and/or other organizations will be documented with copies of receipts, letters or other relevant documents. According to our bylaws, any distribution would have to be approved by the board of directors. The method of approval would be documented. Distributions to organizations have not yet occurred since the incorporation.

Please Note: Rev. Rul. 68-489, 1968-2 C.B. 210

- An organization will not jeopardize its exemption under section 501(c)(3) of the Code, even though it distributes funds to nonexempt organizations, provided it retains control and discretion over use of the funds for section 501(c)(3) purposes.
- An organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 distributed part of its funds to organizations not themselves exempt under that provision. The exempt organization ensured use of the funds for section 501(c)(3) purposes by limiting distributions to specific projects that are in furtherance of its own exempt purposes. It retains control and discretion as to the use of the funds and maintains records establishing that the funds were used for section 501(c)(3) purposes. Held, the distributions did not jeopardize the organization's exemption under section 501(c)(3) of the Code.

Form 1023 – Part V – Section 3a

Alexander Falk:

Qualifications: Experienced entrepreneur, CEO, and previous board member for other non-profit organizations including the Marblehead Little Theatre, Clifton Improvement Association, and Marblehead Rotary Club.

Average hours worked: Approximately 4 hours per week.

Duties: Overall leadership of the Friends of the Marblehead Fireworks, Inc.

Eyal Oren:

Qualifications: Award-winning Photographer, experienced contributor to multiple charitable organizations.

Average hours worked: Approximately 4 hours per week.

Duties: Marketing and public relations for the Friends of the Marblehead Fireworks, Inc.

Timothy Green:

Qualifications: Experienced entrepreneur and previous chairperson of the Town of Marblehead Fireworks Committee.

Average hours worked: Approximately 4 hours per week.

Duties: Secretary of the Friends of the Marblehead Fireworks, Inc.

Charles Gessner:

Qualifications: Retired private sector CEO, previous finance committee chairperson for the Town of Marblehead, experienced board member for other non-profit organizations, including Marblehead Little Theatre. Extensive fund-raising and grant-writing experience for Hospice of the North Shore and Marblehead Little Theatre.

Average hours worked: Approximately 4 hours per week.

Duties: Treasurer for the Friends of the Marblehead Fireworks, Inc.

Peter Schalck:

Qualifications: Entrepreneur and owner of a web design firm, experienced contributor to multiple charitable organizations

Average hours worked: Approximately 4 hours per week.

Duties: Web design and website creation for the Friends of the Marblehead Fireworks, Inc., assistance with marketing and public relations.

Form 1023 – Part VIII – Section 4a – Your Specific Activities

4a Fundraising Activities:

Mail Solicitations

We will be sending fundraising letters to businesses and individuals to request that they donate funds to support Friends of the Marblehead Fireworks, Inc. or to be cordially invited to attend any fundraising banquet and auction.

Email Solicitation

We will be utilizing Internet solicitation methods, including but not limited to email, social media contacts and other mediums.

Personal Solicitation

We will be fundraising by approaching a broad spectrum of entities and individuals in person to share the mission of Friends of the Marblehead Fireworks, Inc. and seek public support.

Foundation Grant Solicitations

We will be applying for private or public foundation grants. We have no current arrangement for this method at this time.

Vehicle, Boat, Plane, or Similar Donations

We do not anticipate donation of planes, but in case of donated boats or vehicles (such as automobile) we accept this kind of donations with the intent of using the boats or vehicles for the corporation's mission. The donated vehicles will not be use for any other activities other than those that will further our status.

Accept Donations on Your Website

We do accept donations on our website. This function will be accessible through "donate" tab on the website of the corporation. The payments are processed by PayPal, Inc. or Amazon.com and are directed to the corporation's bank account.

Other

Small Scale Fundraising Events. At times we will be holding road-side small-scale fundraising events. The work performed for such events shall be "Volunteer Labor" and without compensation. The material used for such events shall only come from the gifts or contributed products. Volunteer charity lemonade or cookie sale would be an example.

Banquet and Auctions. We may also be holding a fundraising banquet and auction at times. All auction items will be from the gifts or contributed merchandise and all the work performed for such events shall be volunteer labor and without compensation.

Web-related Donations. We may make arrangements with commercial organizations for donations based on sales referrals. For example, some web sites (such as Amazon.com) allow nonprofit organizations to receive donations for sales which were referred from their web site. Some local businesses in our area might also

make such offers to non-profit organizations. We would only consider this for items and services related to our organization's activities and topics (e.g. books on Fireworks, Boating Safety). We currently have no specific plans or contracts, but it's prudent to mention the possibility.

Sale of Merchandise. We will have shirts, hats, mugs and similar items available through our website which will bear our logo and mission statement. We are only considering the sale of donated and contributed products at this time. The revenue from this activity is anticipated to be insubstantial and we have no current arrangement or contract for this.

Form 1023 – Part VIII – Section 13a – Your Specific Activities**13a Do you make grants, loans, distributions to other organization(s):**

We do not offer or provide grants or loans to other organizations. Distributions to other organizations will be documented with copies of receipts, letters or other relevant documents. According to our bylaws, any distribution would have to be approved by the board of directors. The method of approval would be documented. Distributions to organizations have not yet occurred since the incorporation.

Please Note: Rev. Rul. 68-489, 1968-2 C.B. 210

- An organization will not jeopardize its exemption under section 501(c)(3) of the Code, even though it distributes funds to nonexempt organizations, provided it retains control and discretion over use of the funds for section 501(c)(3) purposes.
- An organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 distributed part of its funds to organizations not themselves exempt under that provision. The exempt organization ensured use of the funds for section 501(c)(3) purposes by limiting distributions to specific projects that are in furtherance of its own exempt purposes. It retains control and discretion as to the use of the funds and maintains records establishing that the funds were used for section 501(c)(3) purposes. Held, the distributions did not jeopardize the organization's exemption under section 501(c)(3) of the Code.

13b Describe how your grants, loans, or other distributions to organizations further your exempt purposes:

We do not offer or provide loans or grants to other organizations. Our distributions to other organizations will only include funds necessary to carry on our mission as it has been described in the Narrative of our Activities. These contributions would be funds donated to other organizations, which are active in the field and are capable of addressing fireworks-related safety and education issues in a timely and effective way. The board of directors will conduct due diligence and maintain control of any funds contributed to any organizations regardless of their exempt status and will comply with all applicable laws and guidelines to further our exempt status.