

**HB**

**75**

<TARGET><BILL>HB 75</BILL><SUBJECT>HB  
75</SUBJECT><COMM>HSTA28</COMM></TARGET>





# LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature  
Division of Legal and Research Services  
State Capitol, Juneau, AK 99801

(907) 465-3991 phone  
(907) 465-3908 fax  
research@legis.state.ak.us

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## Research Brief

TO: Representative Bob Lynn  
FROM: Katie Spielberger, Legislative Analyst  
DATE: January 24, 2013  
RE: Background on Audits for Non-Profits Participating in Pick.Click.Give  
*LRS Report 13.157*

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***You wished to know the legislative history behind AS 43.23.062(d)(8), which requires a financial audit for any non-profit organization with an annual budget exceeding \$250,000 in order to participate in the Pick.Click.Give program.***

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In brief, it appears that the audit requirement was included as one of many criteria designed to ensure the credibility of organizations participating in the Pick.Click.Give program.

The Pick.Click.Give program was established by HB 166, enacted as Ch 41 SLA 08, to allow Alaskans filing for their PFD online to donate part or all of their dividends to eligible charitable and educational organizations, community foundations, and the campuses of the University of Alaska. Organizations are required to meet a number of criteria to be listed on the contribution list. For example, an organization must be a 501(c)(3) organization, must be directed by a voluntary board of which a majority of members are residents of Alaska, and must have provided services in Alaska during the two calendar years immediately preceding the year the application is filed. Per AS 43.23.062(d)(8), an organization or community foundation may only be included on the contribution list for a current dividend year, if that organization

has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies, or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current fiscal year; this paragraph applies only to an organization with a total annual budget that exceeds \$250,000 during the fiscal year to which the audit required under this paragraph applies.

This provision appeared in HB 166 as it was originally introduced. For the first three years of the Pick.Click.Give program (the 2009 through 2011 application periods), administrative costs were covered by a grant from the Rasmuson Foundation. Since 2012, organizations have paid an eligibility application fee to cover administrative costs for the program.

In a March 20, 2007, hearing before the House State Affairs Committee, Diane Kaplan, president of the Rasmuson foundation, was asked whether the foundation would remain interested in sponsoring the administrative costs if the list were opened up to all 501(c)(3) entities. According to committee minutes,

MS. KAPLAN responded that there are approximately 6,000 501(c)(3) entities in Alaska and if there were 6,000 choices on the PFD application, the program wouldn't be very effective for any of them. She stated, "So, we were looking for a way both to make this program rational, in terms of providing real support for core service providers, but also making sure that the organizations that are listed have credibility with the public." She said to qualify, the nonprofit organization must: file an annual tax return with the IRS; have an audit; already be engaged in individual fundraising; have a certain budget and staffing; and have been tax exempt for a period of time [and] have a voluntary board of directors who are residents here in the state.

MS. KAPLAN stated that the Rasmuson Foundation funds in every area of life, so its interest in limitation revolves more around organizations that can demonstrate a certain level of professionalism so the public can have confidence in the program.

While concerns were raised about restricting the number of participating organizations in general, we found no discussion of the audit requirement in particular.

We hope this is helpful. If you have questions or need additional information, please let us know.

# Alaska State Legislature

State Capitol, Room 102  
Juneau, AK 99802  
Phone: 465-2689  
Fax: 465-3472  
Toll Free (800) 665-2689  
[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)



270 W. Pioneer Avenue  
Suite B  
Homer, AK 99603  
Phone: 235-2921  
Fax: 235-4008

## **REPRESENTATIVE Paul Seaton**

District 30

### **HB 75 Repealing Pick.Click.Give Audit Requirement**

HB 75 allows greater participation in the Pick.Click.Give program by small non-profits that meet all of the eligibility requirements for the program, but do not participate due to the cost prohibitive audit requirement.

The creation of the popular Pick.Click.Give program by the 25<sup>th</sup> Alaska State Legislature gave Alaskans a simple and convenient option to donate to charities and non-profits of their choice. These organizations, which provide important services to our communities, rely on donations to function.

One criterion that must be met by organizations wishing to participate often stops smaller Alaskan charities and non-profits from applying. This is the required financial audit for organizations with a total budget of \$250,000 or greater. The cost of the required financial audit for smaller groups is much greater than the donations received by these groups through the Pick.Click.Give program. This makes participation in the program impractical for organizations of this size. Not only does this mean that these smaller groups will not receive donations through the program, some groups have found that exclusion from the program gives their supporters the mistaken impression that they are no longer certified non-profits.

This bill eases the financial burden on these organizations and allows Alaskans a more complete choice of organizations by eliminating the financial audit requirement. This does not remove financial accountability. All Pick.Click.Give. donation recipients must be 501(c)(3) tax-exempt organizations, which are required to file the form 990 annually with the IRS. Organizations are also required to have an audit if they expend \$500,000 or more in federal awards. Entities that expend less than \$500,000 in federal funds still must still make their records available for review by the federal government.

This bill further requires each campus of University of Alaska to pay the \$250 application fee to participate in the program, just as all other eligible organizations do.

The Pick.Click.Give program encourages Alaskans to give back to their community by bringing the many worthy state programs right to their doorstep. Smaller non-profits nourish Alaskan communities on a personal level, open pathways for budding artistic talents and provide educational opportunities that fit just right with community needs. These organizations deserve the chance to connect through Pick.Click.Give to the Alaskans they serve.

Staff Contact: Heather Beggs, 465-2028

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: HB 75 (A)  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB075-DOR-PFD-01-30-13  
Title: CONTRIBUTION FROM PFD: AUDITS;  
UNIVERSITY  
Sponsor: SEATON  
Requester: (H) STA

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Permanent Fund Dividend Division  
OMB Component Number: 981

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>OPERATING EXPENDITURES</b>	<b>FY 2014</b>	<b>FY 2014</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial version.

Prepared By: <u>Dan DeBartolo - Division Director</u>	Phone: <u>(907)465-4785</u>
Division: <u>Permanent Fund Dividend Division</u>	Date: <u>01/30/2013 11:00 AM</u>
Approved By: <u>Alicia Egan, Legislative Liaison</u>	Date: <u>01/30/13</u>
<u>Department of Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2013 LEGISLATIVE SESSION

BILL NO. HB 75

**Analysis**

This bill negates the requirement of audits in the process that determines the eligibility of non-profits receiving donations through Pick Click Give . There is no fiscal impact to the Permanent Fund Dividend Division, or the Department of Revenue.



# LITERACY COUNCIL of ALASKA

517 Gaffney Road, Fairbanks, AK 99701 • Phone (907)456-6212 • Fax (907)456-4302 • [lca@literacycouncilofalaska.org](mailto:lca@literacycouncilofalaska.org)

January 22, 2013

Re: Contributions from Dividends, "Pick.Click.Give."

To Whom It May Concern:

The Literacy Council of Alaska (LCA) has had an annual budget ranging from \$500,000 to \$650,000 since the creation of Pick.Click.Give. LCA is not required to have our financial statements audited by any local, state, or federal agency. However, under current Alaska Statute, LCA is required to get an audit to qualify for Pick.Click.Give.

As a good management practice and to ensure that no material modifications are necessary within our financial statements, LCA has an independent Certified Public Accountant (CPA) perform a review on our financial statements annually. To have a CPA review of our financials might cost \$5,000. To have a CPA perform an audit might cost \$10,000.

The Literacy Council of Alaska is not able to justifying paying the cost of an audit for the sole purpose of participating in Pick.Click.Give. Within current Alaska Statute, the audit requirement creates a financial prohibition which prevents equitable program participation. In addition to the Literacy Council of Alaska, there are other equally historical and reputable nonprofits in the Interior that do not participate for the same reason.

The Literacy Council of Alaska would like to participate in Pick.Click.Give. We applaud the great efforts of legislators and all those who have actively created this great program. The results are wonderful and philanthropy has increased! The Literacy Council of Alaska is supportive of legislative efforts to increase equitable participation in Pick.Click.Give. by modifying Sec. 43.23.062 Contributions from Dividends. Please do not hesitate to contact the Literacy Council of Alaska Executive Director with further questions regarding Pick.Click.Give.

Sincerely,

Mike Kolasa  
Executive Director



## KETCHIKAN AREA ARTS & HUMANITIES COUNCIL

*A not-for-profit organization*

January 23, 2013

Dear Representative Seaton,

On behalf of the Board of Directors of the Ketchikan Area Arts and Humanities Council, I strongly support HB 75 and the removal of the audit requirement for non-profit organizations to participate in the Pick.Click.Give. program. If the audit requirement remains, the Ketchikan Area Arts and Humanities Council will not be able to participate in the program as it would be irresponsible of our organization to spend \$12,000 - \$15,000 annually on an audit, in order to receive \$2,000 - \$3,000 in donations. Additionally, exclusion in the Pick.Click.Give. listing of statewide non-profits adversely affects our organization as donors assume there is something wrong with the organization because it is not listed.

In other words, not only are we unable to participate in Pick.Click.Give. because of the cost of an annual audit, the Arts Council is perceived as an unworthy organization because it is not included in the listing of non-profits.

It is crucially important that the barrier of an annual audit requirement for participation be removed from the Pick.Click.Give. program to allow all Alaskan non-profits to participate or at least to not be adversely affected by the program.

Thank you so much for your efforts to make Pick.Click.Give. effective for all Alaskan non-profits and the people we serve.

Sincerely,  
Kathleen Light  
Executive Director

*Our mission is to create  
and promote opportunities  
for all community members  
to experience the arts*

330 Main Street  
Ketchikan, Alaska 99901  
Ph. 907-225-2211  
Fax. 907-225-4330  
[www.ketchikanarts.org](http://www.ketchikanarts.org)

# COPPER RIVER WATERSHED PROJECT

© *Voices for a wild salmon economy* ©



January 8, 2013

The Honorable Gary Stevens  
Alaska State Legislature  
120 4<sup>th</sup> Street, State Capitol, Room 111  
Juneau, AK 99801-1182

Dear Senator Stevens,

I am writing to you about the Pick.Click.Give. program offered through Alaska's Permanent Fund Division. As you know, the Pick.Click.Give. program was initiated to offer Alaskan recipients of a Permanent Fund Dividend check an opportunity to practice philanthropy with their favorite charitable organizations.

The Pick.Click.Give. regulations require organizations who want to be recipients of such charitable donations to have had an audit conducted in the prior fiscal year if their budget exceeds \$250,000. However, *federal* regulations require an audit only if an organization's expenditures of federal funds exceeds \$500,000 in a fiscal year. Our organization falls into a gap, then, between these two requirements because our budget generally exceeds \$250,000 but doesn't go over \$500,000. In this case, we are not required to conduct an audit, but if we were to pay for one it would cost a minimum of \$8,000. (Participation in the Pick.Click.Give. program our first year generated \$600.) If our budget goes over \$500,000 in a given year, which it did in 2010 and 2011, then we have sufficient grant funds to pay for a federal single audit. Those two years were unusual, however, and we don't expect our budget to exceed \$500,000 in future years.

Organizations with budgets under \$250,000 are small enough to avoid the audit requirement, and large non-profits across the state can generally afford an audit because their administrative expense revenues can absorb the cost, but those organizations caught in the middle of these dollar thresholds are effectively left out of the Pick.Click.Give. program.

Would you consider drafting or supporting legislation that would modify the Pick.Click.Give. program audit requirements to be consistent with federal audit requirements? Another solution might be to require a less detailed accounting review, such as a compilation, for mid-size non-profits rather than a full-scale audit.

P.O. Box 1560, Cordova, AK 99574

tel 907.424.3334

web [www.copperriver.org](http://www.copperriver.org)

## Board of Directors

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Gloria Stickwan, Vice President, Tazlina  
Brad Reynolds, Secretary, Cordova

Joel Azure, Cordova  
Audubon Bakewell IV, Paxson  
Mike McQueen, Copper Center

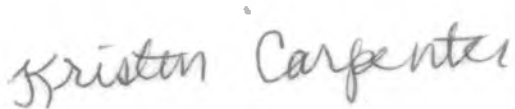
Denny Patnode, Gakona  
Maria Wessel, Cordova

Attached is the letter we received from the State's Permanent Fund Division in response to our application for the Pick.Click.Give. program in 2011.

I look forward to working with your office on this issue, which almost certainly affects many other non-profits in Alaska.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kristin Carpenter". The ink is dark and the handwriting is fluid.

Kristin Carpenter  
Executive Director

cc: Laurie Wolf, Vice President, The Foraker Group



**STERLING AREA SENIOR CITIZENS**

34453 Sterling Hwy., Sterling, Alaska 99672 (907) 262-6808 / Fax (907) 262-3883

January 22, 2013

Alaska State Representative Paul Seaton  
345-Sterling Hwy  
Homer, AK 99603

Dear Representative Seaton,

We at Sterling Area Senior Citizens, Inc. have just been informed of HB75 which would enable our Senior Center to apply for the Pick-Click-Give program that is so vigorously advertised across the state. We are presently in the same situation as the Seward Senior Center since we have just over a \$250,000 budget for the last couple of years and are now required to have a full audit at a cost of \$7-9000 which is prohibitive for our non-profit organization. It's a shame to punish those non-profits who are struggling to meet our operating expenses by putting an extra burden on them in order to be included in the PFD program.

Please accept this letter as our support for the HB75 bill you are sponsoring. Feel free to share our opinion with other representatives as necessary while attempting to eliminate this audit requirement from 501 (c) 3 non-profit organizations.

Regards,

A handwritten signature in black ink, appearing to read "Mike McKinley", is written over a horizontal line.

Mike McKinley  
Director  
Sterling Senior Center  
[sterlingseniorcenter@alaska.net](mailto:sterlingseniorcenter@alaska.net)  
907-262-6826

Cc: Senator Cathy Giessel





BIGGEST LITTLE SENIOR CENTER on the PENINSULA

NINILCHIK SENIOR CITIZENS, INC.  
Phone: 907-567-3988

PO BOX 39422  
[seniors@ptialaska.net](mailto:seniors@ptialaska.net)

Ninilchik, AK 99639-0422  
Fax: 907-567-3988

January 22, 2013

Representative Paul Seaton  
270 W. Pioneer Ave, Suite 102B  
Homer, AK 99603

Dear Rep Seaton,

Last year we were unable to participate in the Pick. Click. Give program because our total operating budget was just over \$250,000. That meant we would need an expensive audit that would never be recouped by donations from the program. If the limit could be raised to \$500,000 many more charities could participate. Some people ask us why we were not participating. Their notions vary from poor management to us not needing the money. Those who ask are surprised we do not meet the state's criteria. Bad press all the way around.

Thank you for your efforts to remedy this problem through HB 75.

Sincerely,

Kathryn Kennedy  
Director

January 26, 2013

To: Representative Paul Seaton

RE: Support of HB75

Rep. Seaton and Other Esteemed Members of the Alaska House of Representatives:

I write in support of HB75. This is a far more critical issue than you might imagine to the many non-profit organizations and agencies in Alaska that provide the vast majority of social services to Alaskans in need. The "Pick. Click. Give" Program has become a very important source of funding for non-profits in general, and for the agency I work with here in Seward in particular: the Seward Senior Center. Unlike some of the larger communities of Alaska, many of the senior citizens who live in Seward rely on the Senior Center not only for *socialization activities* which keep them alert, active, contributing citizens, *health-related information* that encourages healthy living, but also for *healthy, balanced meals* (which they are less-likely to eat on their own), as well as *meals brought to them* when they are not physically able to get out. People in larger communities may have other options, but the Senior Center supplies most of these needs for our senior citizens. NOT being able to participate in the "Pick. Click. Give" Program because of the present onerous audit requirements for smaller non-profits seriously limits our ability to continue to provide these services. I trust you will take the needs of these Alaskan citizens to heart, and support HB75, which costs the state nothing but helps to ensure the continuation of these valuable programs.

Sincerely,

*Rev. Ronald Nitz*

Rev. Ronald Nitz,  
Seward Senior Center Board Member

January 24, 2013



Honorable Representative Paul Seaton  
State of Alaska

RE: Support for HB75

Dear Representative Paul Seaton and Finance Committee:

It is a valuable addition to the non-profit section to have the ability to diversify fundraising efforts, especially at a time of escalating prices at the gas pumps, grocery stores, and utility bills that burden social services across this great state.

It was a blessing to witness the evolution of the Pick. Click. Give. Program five years ago, creating another avenue for non profits to become less dependent on government subsidies and grants, allowing the Alaska state resident to choose non-profits as recipients of their financial contributions through the Permanent Fund Dividend, Pick. Click. Give. program, providing the Alaska resident a terrific and simple way to contribute to agencies that they have positively witnessed or accessed services at one time or another.

By removing the audit requirement through HB75, it will allow our agency as well as many others who don't have the financial ability or income to fund an annual audit that can cost anywhere from \$7-10K.

Your support of HB75 will provide the Seward Senior Center another opportunity to become one of the hundreds of recipients of the Pick. Click. Give. program, especially at a time when we struggle to meet the nutritional, transportation and social needs of our aging community in Seward.

Thank you for your consideration of HB75 and the positive impact it will have on the mid-size non-profit agency in Alaska.

Sincerely,

**DANA B. PAPERMAN**

Dana Paperman

Seward Senior Citizens, Inc., PO Box 1195 ~ Seward, AK 99664, (907) 224-5604  
ssc@seward.net/www.sewardsenior.org

*"Serving senior citizens for 35 years"*

***Board of Directors  
2013***

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Executive Director*

*Dana Paperman*

***Our Mission Statement***

*To insure honor, dignity,  
security, and independence  
for older Alaskans;  
assistance in maintaining  
meaningful and quality lives.*

*A non-profit agency  
TAX ID: 92-0072425*



January 25, 2013

Representative Bob Lynn  
State Affairs and Finance Committee  
Alaska State Legislature  
State Capitol, Room 108  
Juneau, Alaska 99801-1182

Re: HB75; Contribution from PFD; Audits; University

Dear Chairman Lynn:

I am the president of the Juneau Community Foundation and I am writing to you regarding the above-referenced bill, which affects the Pick.Click.Give program. Although this program has been highly successful and is much appreciated, HB75, which is now before your committee, could make it even better. On behalf of the Juneau Community Foundation, I would therefore urge your committee to review and pass HB75.

One of the important provisions of the bill is a modification of the audit requirement presently contained in the law. Right now, the statute requires that any organization with a total budget greater than \$250,000.00 provide a full audit to the state as a precondition to participating in the Pick.Click.Give program. As defined in the statute, the term "budget" includes not just the operating budget but also all funds contributed to the affected charitable organization. This is a hardship for small organizations such as the Juneau Community Foundation, which has a small operating budget (about \$60,000 per year), and yet is subject to the audit requirement because of the generosity of our donors who make significant contributions.

We understand and appreciate the need for charities in the Pick.Click.Give program to be responsible and accountable. Nonetheless, we believe that the audit requirement is unnecessary and discourages worthwhile organizations from participating in this worthwhile program. Even without an audit, there are still a number of standards that a charity must meet in order to be qualified. Our Form 990 is filed every year with the IRS and is available for public review. In addition, the IRS has expanded reporting requirements in recent years to provide greater transparency.

For all of these reasons, we believe that there are adequate controls in place even without the requirement of an expensive and burdensome audit. Accordingly, we ask that you consider and approve of the changes proposed in HB75. Please let me know if you have any questions about our support for this bill. I would be glad to testify in front of the committee about the experience of our foundation if you believe that would be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "E.A. Kueffner". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Eric A. Kueffner  
President

C: Rep. Paul Seaton

Alaska Statute 43.23.062

Sec. 43.23.062 Contributions from dividends.

(a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska permanent fund dividend application to allow an applicant who files electronically to direct that money be subtracted from the dividend payment and contributed to one or more of the educational organizations, community foundations, or charitable organizations that appear on the contribution list contained in the application. A contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of \$50, up to the total amount of the permanent fund dividend that the applicant is entitled to receive. If the total amount of contributions elected by an applicant exceeds the amount of the permanent fund dividend that the applicant is entitled to receive, contributions shall be deducted from the dividend in the order of priority elected by the applicant on the application until the entire amount of the dividend that the applicant is entitled to receive is allocated for contribution. The electronic dividend application form must include notice that no money contributed will be used for administrative costs incurred in implementing this section, and money from the dividend fund will not be used for that purpose.

(b) The department shall list each campus of the University of Alaska and shall list each other educational organization, community foundation, or charitable organization eligible under (c) and (d) of this section on the contribution list. The department shall maintain an electronic database for the contribution list that is accessible to the public and that permits searches by organization name, geographic location, and type. The department shall provide a statement of the contributions made by an individual that is suitable for federal income tax purposes to each individual who elects to contribute under (a) of this section.

(c) The department may not include a charitable organization, other than a community foundation, on the contribution list for a dividend year unless the purpose of the charitable organization is to provide services for youth development, workforce development, arts and culture, aid and services to the elderly, low-income individuals, individuals in emergency situations, victims of crime, disabled individuals, individuals with mental illness, primary, vocational, and higher education, health and dental care, recreational facilities, child abuse and neglect, economic development, food assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos. The department may not include on the contribution list an educational organization, community foundation, or charitable organization that is the affiliate of a group. For purposes of this subsection,

(1) "affiliate" means an organization or foundation that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, a group;

(2) "group" has the meaning given in AS 15.13.400(8)(B).

(d) Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization

(1) before March 31 of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;

(2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;

(3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;

(4) unless exempted under federal law, has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately preceding year;

(5) is directed by a voluntary board of directors or local advisory board, a majority of whose members are residents of the state;

(6) if a community foundation, provided in the state aid during the two calendar years that immediately precede the year the application is filed, or, if an education organization or charitable organization, provided in the state services during the two calendar years that immediately precede the year the application is filed;

(7) receives at least \$100,000 or five percent of its total annual receipts, whichever is less, from contributions;

(8) has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies, or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current fiscal year; this paragraph applies only to an organization with a total annual budget that exceeds \$250,000 during the fiscal year to which the audit required under this paragraph applies; and

(9) does not make grants or contributions to an organization that is exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

(e) Unless an appropriation specifically directs that the money be used for costs incurred in implementing this section, the department may not use money from the dividend fund for administrative costs incurred in implementing this section, even if it has been appropriated for costs of administering the dividend program. The department may not use money contributed under (a) of this section for administrative costs incurred in implementing this section. Contributions shall be distributed to each organization as soon as practicable.

(f) The department shall charge an application fee of \$250 for each educational organization, community foundation, or charitable organization that files an application under (d)

of this section. The application fees shall be separately accounted for under AS 37.05.142. The annual estimated balance in the account maintained under AS 37.05.142 for application fees collected under this subsection may be appropriated for costs of administering this section.

(g) The department may use an agent or enter into a contract for the implementation and operation of the contribution program under this section. Before executing a contract with a corporation or other organization, the organization must provide a copy of its policies and procedures to the department. A contract entered into under this subsection is exempt from AS 36.30 (State Procurement Code).

(h) A public agency that claims a dividend on behalf of an individual under AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of this section.

(i) The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the provisions of this section. Notwithstanding this subsection and other provisions of law, a state agency, including the department, may not adopt regulations or otherwise impose requirements or procedures on organizations to implement, interpret, make specific, or otherwise carry out the provisions of this section unless required by the federal government. If an organization disagrees with an action of the department under this section and requests an administrative hearing, the hearing shall be conducted by the office of administrative hearings (AS 44.64.010).

(j) By January 20 of each year, the department shall prepare a report identifying the organizations on the contribution list for the immediately preceding year, together with the amount of contributions made to each of the organizations, and shall notify the legislature that the report is available.

(k) A community foundation may not deposit contributions received under this section into a fund that would be included in the definition of a donor advised fund under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

(l) In this section, "community foundation" means a nonprofit, autonomous, philanthropic institution that is organized and operated primarily as a permanent collection of endowed funds for the long-term benefit of a defined geographic area within one or more municipalities, that has a long-term goal of increasing its permanent unrestricted charitable endowment to benefit the area served, that primarily provides benefits by making grants and may also provide other forms of charitable services, that makes grants that are not limited to providing one type of benefit or to serving one population segment, and that makes grants to multiple grantees.

# Pick.Click.Give.

In May 2008, the 25<sup>th</sup> Alaska Legislature passed House Bill 166 that sets up the PFD Charitable Contributions Program, or Pick.Click.Give. The law allows Alaskans filing for their PFD online to donate all or part of their dividend to the campuses of the University of Alaska, community foundations, and eligible charitable and educational organizations. After a three-year pilot project, Pick.Click.Give. is now a permanent part of the PFD program.

The program goal is to increase the dollars generated by individual giving and the number of new donors to nonprofit organizations. Pick.Click.Give. provides a way for donors to support organizations they care about.

The program is available to Alaskans who file on-line for their PFD. The on-line application will have a list of eligible organizations, and people will be able to choose those to which they want to contribute. Individuals will be able to direct from \$25 to the full dividend to eligible nonprofits.

The annual nonrefundable fee for eligible organizations to apply to be listed is \$250. 2011 marked the end of the subsidized support that was available during the three-year pilot for Pick.Click.Give. The administrative fee collected guarantees that every dollar donated reaches the eligible organization.

Increasing individual charitable giving is the most effective way to create long-term sustainability for Alaska's nonprofits so they are able to carry out their missions in the community. Pick.Click.Give. provides a safe and secure way for Alaskans to make a contribution and help build sustainable organizations.

While the Alaska Department of Revenue has the ultimate responsibility for implementing the law, several other organizations assist.

- United Way of Anchorage ([www.liveunitedanchorage.org](http://www.liveunitedanchorage.org)) qualifies eligible organizations under the provisions of the law and disburses the donations to the organizations chosen by the donor.
- The Foraker Group ([www.forakergroup.org](http://www.forakergroup.org)) manages outreach to the Alaska nonprofit community, including support via phone, internet, mail, email and training sessions.
- The Rasmuson Foundation ([www.rasmuson.org](http://www.rasmuson.org)), along with a host of private and institutional funders, promotes a statewide media and communications campaign that encourages Alaskans to give through Pick.Click.Give.
- The Alaska Community Foundation ([www.alaskacf.org](http://www.alaskacf.org)) hosts the Pick.Click.Give. project fund for statewide marketing and outreach.

For more information, please visit [www.pickclickgive.org](http://www.pickclickgive.org)

# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

# 2012

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2012 calendar year, or tax year beginning , 2012, and ending , 20

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization: Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
 City, town or post office, state, and ZIP code

**D** Employer identification number  
**E** Telephone number  
**G** Gross receipts \$

**F** Name and address of principal officer:  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)  
**H(c)** Group exemption number ▶

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶

**K** Form of organization:  Corporation  Trust  Association  Other ▶ **L** Year of formation: **M** State of legal domicile:

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities: \_\_\_\_\_

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its net assets.

<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>
<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>
<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)		
<b>9</b> Program service revenue (Part VIII, line 2g)		
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶		
<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		
<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		
<b>19</b> Revenue less expenses. Subtract line 18 from line 12		

	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)		
<b>21</b> Total liabilities (Part X, line 26)		
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20		

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check  if self-employed PTIN \_\_\_\_\_

Firm's name ▶ \_\_\_\_\_ Firm's EIN ▶ \_\_\_\_\_

Firm's address ▶ \_\_\_\_\_ Phone no. \_\_\_\_\_

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No



**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A . . . . .</i>		
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .		
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I . . . . .</i>		
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II . . . . .</i>		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III . . . . .</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I . . . . .</i>		
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II . . . . .</i>		
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III . . . . .</i>		
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV . . . . .</i>		
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V . . . . .</i>		
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI . . . . .</i>		
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII . . . . .</i>		
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII . . . . .</i>		
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX . . . . .</i>		
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X . . . . .</i>		
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X . . . . .</i>		
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII . . . . .</i>		
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .</i>		
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E . . . . .</i>		
14 a	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV . . . . .</i>		
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV . . . . .</i>		
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV . . . . .</i>		
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions) . . . . .</i>		
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II . . . . .</i>		
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III . . . . .</i>		
20 a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H . . . . .</i>		
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .		

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>		
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>		
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . . . .</i>		
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25 . . . . .</i>		
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II . . . . .</i>		
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III . . . . .</i>		
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>		
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>		
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>		
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>		
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>		
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>		
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>		
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>		
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .</i>		
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .		
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>		
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .		

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question ID, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .		
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . .		
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		
<b>6</b> Did the organization have members or stockholders? . . . . .		
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .		
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .		
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . .		
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .		
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? <i>If "Yes," provide the names and addresses in Schedule O.</i> . . . . .		

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .		
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? <i>If "No," go to line 13</i> . . . . .		
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? <i>If "Yes," describe in Schedule O how this was done</i> . . . . .		
<b>13</b> Did the organization have a written whistleblower policy? . . . . .		
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . .		
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .		
<b>b</b> Other officers or key employees of the organization . . . . .		
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► \_\_\_\_\_
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► \_\_\_\_\_

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) .....										
(2) .....										
(3) .....										
(4) .....										
(5) .....										
(6) .....										
(7) .....										
(8) .....										
(9) .....										
(10) .....										
(11) .....										
(12) .....										
(13) .....										
(14) .....										

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>										

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶

**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII.

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>				
	<b>d</b> Related organizations . . . . .	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$					
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . . ▶					
<b>Program Service Revenue</b>		<b>Business Code</b>				
	<b>2a</b> -----					
	<b>b</b> -----					
	<b>c</b> -----					
	<b>d</b> -----					
	<b>e</b> -----					
	<b>f</b> All other program service revenue .					
<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . . ▶						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . . ▶					
	<b>4</b> Income from investment of tax-exempt bond proceeds ▶					
	<b>5</b> Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	<b>6a</b> Gross rents . . . . .					
	<b>b</b> Less: rental expenses					
	<b>c</b> Rental income or (loss)					
	<b>d</b> <b>Net</b> rental income or (loss) . . . . . ▶					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	<b>b</b> Less: cost or other basis and sales expenses . . . . .					
	<b>c</b> Gain or (loss) . . . . .					
	<b>d</b> <b>Net</b> gain or (loss) . . . . . ▶					
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>					
	<b>b</b> Less: direct expenses . . . . . <b>b</b>					
	<b>c</b> <b>Net</b> income or (loss) from fundraising events . . ▶					
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>						
<b>b</b> Less: direct expenses . . . . . <b>b</b>						
<b>c</b> <b>Net</b> income or (loss) from gaming activities . . ▶						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>						
<b>b</b> Less: cost of goods sold . . . . . <b>b</b>						
<b>c</b> <b>Net</b> income or (loss) from sales of inventory . . ▶						
	Miscellaneous Revenue	<b>Business Code</b>				
<b>11a</b> -----						
<b>b</b> -----						
<b>c</b> -----						
<b>d</b> All other revenue . . . . .						
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . . ▶						
<b>12</b> <b>Total revenue.</b> See instructions. . . . . ▶						

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes				
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal				
<b>c</b> Accounting				
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses				
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy				
<b>17</b> Travel				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization				
<b>23</b> Insurance				
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> -----				
<b>b</b> -----				
<b>c</b> -----				
<b>d</b> -----				
<b>e</b> All other expenses				
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e				
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year	(B) End of year	
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .		<b>1</b>	
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .		<b>4</b>	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b>		<b>10c</b>
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .		<b>15</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .		<b>16</b>		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .		<b>17</b>	
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .		<b>25</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .		<b>26</b>	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .		<b>27</b>	
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>	
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> <b>Total net assets or fund balances</b> . . . . .		<b>33</b>		
<b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .		<b>34</b>		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
<b>2a</b>		
<b>2b</b>		
<b>2c</b>		
<b>3a</b>		
<b>3b</b>		

# Alaska State Legislature

State Capitol, Room 102  
Juneau, AK 99801  
Phone: 465-2689  
Fax: 465-3472  
Toll Free (800) 665-2689  
Rep.Paul.Seaton@akleg.gov



270 W. Pioneer Avenue  
Suite B  
Homer, AK 99603  
Phone: 235-2921  
Fax: 235-4008

## REPRESENTATIVE Paul Seaton

District 30

### MEMORANDUM

**TO:** Representative Bob Lynn,  
House State Affairs Committee Chair

**FROM:** Representative Paul Seaton

A handwritten signature in black ink that reads "Paul Seaton".

**DATE:** January 24, 2013

**RE:** HB 75

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I respectfully request a hearing for HB 75 before the House State Affairs Committee. HB 75 repeals the audit requirement for non-profits wishing to participate in the Pick.Click.Give program and requires the University of Alaska to pay the \$250 application fee, just as other organizations do.

Documents listed below have been submitted electronically with this request:

- HB 75
- Sponsor Statement
- Letters of Support
- Alaska statute 43.23.062
- Information on the Pick.Click.Give program
- IRS form 990 – return for tax-exempt organizations

We also request an off-net number for the following testifying witnesses:

- Mike Kolasa, Executive Director, Literacy Council of Alaska
- Kathleen Light, Executive Director, Ketchikan Area Arts & Humanities Council
- Jordan Marshall, External Affairs Manager, Ramuson Foundation
- Mike Walsh, Vice President, The Foraker Group

Thank you for your consideration.

Staff Contact: Heather Beggs at 465-2028