

**Part IV** Narrative Description of Your Organization

The *Friends of the Manitou* is an incorporated membership organization founded in July of 2006 by former residents of Michigan's North and South Manitou islands. Membership in the organization is open to anyone interested in the islands.

Working in cooperation with the National Park Service, we help discover, document and disseminate factual information about the human history and cultural traditions of the people who lived on North and South Manitou Islands during the nineteenth and twentieth centuries. Island residents evolved from the original entrepreneurs who carried on logging operations to fuel early Great Lakes steamboats, to immigrant settlers, homesteading farmers, the historic U.S. Life Saving Service and U.S. Lighthouse Service, to the Islands' final residents. The Department of Interior (NPS) acquired the islands in the early 1970's as part of the Sleeping Bear Dunes National Lakeshore.

The national park currently hosts some 1.2-million visitors each year, thousands of whom make the trip to the islands to enjoy hiking and camping experiences in a uniquely peaceful and historic setting, and learn about the important role these islands played in Great Lakes maritime history. Since its inception the Friends have served the visiting public by providing educational services and resources, and by helping to preserve publicly-owned historic and cultural assets:

- (1) Members have authored, collected and compiled island-related personal oral histories, anecdotal information and other facts about the islands, for publication in the Friends' newsletter. The free newsletter is published every four months (March, July and November) and distributed within the national park, and by mail to members and interested third parties. The newsletters are also archived on the Friends' web site, providing an interesting and useful source for scholars and anyone else seeking information about Michigan's Manitou Islands.
- (2) Members have collected and identified physical artifacts such as personal effects abandoned as families left the islands, antique farm implements and tools, and historic U.S.L.S.S. and U.S.C.G. uniforms. These have been donated to the National Park Service for exhibits in the Lakeshore, or permanently loaned to the nearby Leelanau Historical Society and Museum.
- (3) The Friends has assisted the Lakeshore through the donation of money for materials and supplies and by providing hands-on volunteer labor for use in stabilizing and restoring physical assets and resources on the Islands. These include former Coast Guard facilities (Lifesaving Stations, boathouses and Lighthouse), village homes, outlying farmsteads, a one-room schoolhouse and historic cemeteries and burial places.
- (4) Members have further assisted the National Park Service in interpreting the islands for visitors by serving as volunteers in Island visitor centers and exhibit areas, providing tours of the South Manitou Island Lighthouse complex, serving as guides and interpreters on island motor tours and funding exhibit trunks used by NPS lecturers at public schools and other institutions
- (5) The Friends has undertaken the transcribing of government-published studies containing educational reference material about the islands and the Sleeping Bear Dunes National Lakeshore. These definitive, but costly reports are now available in "eBook" format on the Friends' web site, and can be viewed and downloaded by the general public without charge.

*Friends of the Manitou* is an all-volunteer organization, having no paid staff. Funding is provided by member contributions, donations from the general public and grants from government and from other nonprofit organizations. Revenue currently averages \$4,500 annually, all of which is allocated to operations. The Friends has no investments or hard assets. For the purposes of this application, the Friends' activities are summarized below, with estimated percentages of resource (cost and volunteers' time) allocation.

- 35% - Volunteer services (general maintenance, building restoration, interpretation)
- 20% - Newsletter editing, publication and distribution
- 15% - Research of historical and cultural information
- 15% - Administration (meetings, correspondence, accounting, records keeping)
- 5% - friendsofthemanitou.org web site (webmaster functions, content, email)
- 5% - Authoring, printing and distributing booklets and articles for free distribution to the public
- 5% - Annual meeting and other membership events

Note: In Revenue Ruling 68-307, 1968-1 C.B. 258 (copy attached), the IRS held that a nonprofit organization formed to help the National Park Service improve and expand its educational and scientific programs qualifies for exemption from Federal income tax under Section 501(c)(3) of the Code.

**Part IV** Re: Narrative Description of Your OrganizationInternal Revenue Service  
Revenue Ruling*(from TaxLinks.Com<sup>SM</sup>)*

Rev. Rul. 68-307

1968-1 C.B. 258

Sec. 501

IRS Headnote

A nonprofit organization formed to help the National Park Service improve and expand its educational and scientific programs may be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

Full Text

Rev. Rul. 68-307

A nonprofit organization formed to assist the National Park Service, Department of the Interior, in its educational and scientific programs has applied for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization's activities are directed toward furthering the educational and scientific programs of the Park Service within a specific park. It prepares, publishes, and distributes literature concerning the phenomena and history of the park. This literature is sold at a nominal price at visitor centers by the park personnel. In addition, the organization cooperates with the Park Service in acquiring material and equipment suitable for use in scientific and educational work in the park. It also assists in developing the park library and museum, in preserving historic objects, and, generally, in furthering the educational and scientific aims of the Park Service.

The organization depends upon contributions and revenue from the sale of its literature to meet its operating costs. Most of these services, including research and writing of educational material, are performed by volunteers without compensation.

Pursuant to National Park Service requirements, the organization is incorporated and includes park personnel on its board of directors. Having met these requirements, the organization is permitted to use the buildings and facilities of the park and the services of the park employees in carrying out its exempt purposes. However, the park superintendent must approve all publications distributed or sold to the public.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as including the advancement of education or science.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

By publishing and distributing educational material that furthers the educational program of the National Park Service, the organization is instructing the public on subjects useful to the individual and beneficial to the community. The organization's other activities of assisting the National Park Service in carrying out its programs within the park are charitable since these activities are a means of advancing education and science.

Accordingly, the organization is exempt from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must (in order to establish exemption under section 501(c)(3) of the Code) file an application on Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.

**Part V Compensation and Other financial Arrangements with ...**

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1a re: List the names, titles and mailing addresses of all of your officers, directors and trustees.

President and Executive Director

John C McCann  
1402 Lakeview Road  
Elk Rapids, MI 48625  
(Compensation amount: none)

Vice President

Laverne K Woods  
625 West Eighth Street  
Traverse City, MI 46321  
(Compensation amount: none)

Secretary

William J Strating  
10256 128<sup>th</sup> Avenue  
Sterling Heights, IL 50210  
(Compensation amount: none)

Treasurer

Jane K Williamson  
12 Mainline Blvd  
Traverse City, MI 46321  
(Compensation amount: none)

Media Director

Sally Fields Jameson  
132 U.S. 65 North  
Omena, MI 48256  
(Compensation amount: none)

Hospitality Director

Willard T Smith  
RR 1 (Star Route)  
Cedar, MI 46325  
(Compensation amount: none)

**Part V Compensation and Other financial Arrangements with ...**

**3a** re: 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.

**John C McCann, President and Executive Director**

Mr. McCann is a member of the board of directors. He is also our president and chief executive officer. His qualifications include graduating with a BS degree in general science from Michigan State University. He served as a clerk for ten years with the City of Midland (MI) during which time he rose to the rank of assistant city manager and attended numerous clinics on public administration. He held the positions of president, vice president and director of the Midland Area Historical Society before joining our organization. His duties are spelled out in our bylaws, and include managing the day-to-day business of the organization, attending meetings of our board of directors and voting on board decisions. Mr. McCann receives no compensation of any kind, and performs his duties on an "as needed" basis.

**Laverne K Woods, Vice President**

Miss. Woods is a volunteer director, and our Vice President. She is a recently retired high school English teacher. She is keenly interested in learning about the islands and in helping us to accomplish our mission of communicating their history and cultural traditions to national park visitors and to school classes. Miss. Woods' duties are spelled out in our bylaws, and include attending meetings of our board of directors, voting on board decisions, and presiding in the absence of the president. Miss. Woods receives no compensation of any kind, and performs her duties on an "as needed" basis.

**William J Strating, Secretary**

Mr. Strating is a volunteer director who serves as our corporate secretary. He is a partner in the for-profit Smith & Strating LLC law firm that specializes in family law. Mr. Strating is a graduate of Harvard University. His training included undergraduate and graduate work in public recreation at Chicago College, by virtue of which he has extensive knowledge about issues involved with the funding and operation of national parks. Mr. Strating's duties are spelled out in our bylaws, and include day-to-day administrative functions, attending annual meetings and meetings of our board of directors, voting on board decisions and properly recording minutes. (Mr. Strating's partner Jeremy K Smith is not related in any way to hospitality director Willard K Smith.) Mr. Strating receives no compensation of any kind, and performs his duties on an "as needed" basis.

**Jane K Williamson, Treasurer**

Ms. Williamson is a volunteer director. She is a partner in the for-profit Aquality, Inc. firm that specializes in analyzing and reporting on water quality issues for local governments in our state. Ms. Smith has extensive knowledge about water quality issues. Her training includes undergraduate and graduate work in water quality issues at Ferris State University (Big Rapids, MI). Ms. Smith is the organization's treasurer. Her duties are spelled out in our bylaws, and include financial record-keeping, accounting and reporting, attending meetings of our board of directors and voting on board decisions. Ms. Williamson receives no compensation of any kind, and performs her duties on an "as needed" basis.

**Sally Fields Jameson, Media Director**

Ms. Jameson is a volunteer director. She is society editor of the Traverse City Sentinel newspaper. As a former resident of South Manitou Island, Ms. Jameson has extensive knowledge about the history and culture of the islands. She is a graduate of the University of Nebraska, earning a B.A. degree with majors in English literature and journalism. Ms. Smith serves as the organization's volunteer media director. As a director, her duties are spelled out in our bylaws, and include attending meetings of our board of directors and voting on board decisions. Her additional duties include the publication of the organization's newsletter, maintenance of the www.friendsofthemanitous.org web site, and the preparation of various brochures, pamphlets and booklets. Ms. Jameson receives no compensation of any kind, and performs her duties on an "as needed" basis.

**Willard T Smith, Hospitality Director**

Mr. Smith is a volunteer director. He is an employee of the Parks & Recreation Department of Grand Traverse County (MI). Mr. Smith has extensive knowledge about park maintenance and visitor enjoyment issues. His training includes undergraduate and graduate work in hospitality management at Northwestern Michigan College (Traverse City, MI). Mr. Smith is the organization's hospitality director. His duties are spelled out in our bylaws, and include attending meetings of our board of directors and voting on board decisions. His additional duties involve meeting and special event planning and management. Mr. Smith receives no compensation of any kind, and performs his duties on an "as needed" basis.

**Part V Compensation and Other financial Arrangements with ...**

**5a** re 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 this policy and explain how the policy has been adopted, such as by resolution of your governing board.



## Policy on Conflicts of Interest

### Article I Purpose

The purpose of the conflict of interest policy is to protect the *Friends of the Manitous* interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### Article II Definitions

#### 1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Friends of the Manitous has a transaction or arrangement,
- b. A compensation arrangement with the Friends of the Manitous or with any entity or individual with which the Friends of the Manitous has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Friends of the Manitous is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Article III Procedures

#### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

**Part V Compensation and Other financial Arrangements with ...**

5a re Have you adopted a **conflict of interest policy** ... (cont'd)

- c. After exercising due diligence, the governing board or committee shall determine whether the Friends of the Manitous can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Friends of the Manitous' best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV  
Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Article V  
Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Friends of the Manitous for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Friends of the Manitous for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Friends of the Manitous, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI  
Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Friends of the Manitous is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Part V Compensation and Other financial Arrangements with ...**5a re Have you adopted a **conflict of interest policy** ... (cont'd)**Article VII  
Periodic Reviews**

To ensure the Friends of the Manitous operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Friends of the Manitous' written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII  
Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Friends of the Manitous may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

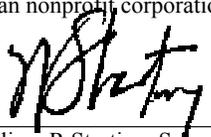
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**CERTIFICATION**

I, William R Strating, Secretary of the Friends of the Manitous, Inc., a Michigan nonprofit corporation, hereby certify that the attached *Conflict of Interest Policy* was adopted by the Board of Directors of the Friends of the Manitous in a legally called meeting held on September 1, 2006, and further certify that after being put to vote, the number of votes cast for the Policy was sufficient for its approval.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2006.

FRIENDS OF THE MANITOUS, INC.,  
A Michigan nonprofit corporation

By:   
William R Strating, Secretary

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

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**1b** re: 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.

From time to time the Friends of the Manitous provides small grants to the Sleeping Bear Dunes National Lakeshore (NPS) to help support the cost of maintenance activities involving historic and cultural assets on North Manitou Island and South Manitou Island. These funds are usually granted upon special request by the Lakeshore, in amounts ranging from \$250 to \$650. Payments are usually made directly to the Lakeshore, but are occasionally made directly to vendors for materials and supplies ordered by the Lakeshore.

Similar small grants have also been provided on occasion to other nonprofits for island-related maintenance and preservation projects. The organizations are *Friends of Sleeping Bear Dunes* and *Preserve Historic Sleeping Bear*, both of which are 501(c)3 exempt organizations serving the Sleeping Bear Dunes National Lakeshore. These small grants range from \$500 to \$1,750. Payments are made directly to the Treasurer of these organizations.

By special agreement, the Friends of the Manitous has on occasion supported the cost of a seasonal ranger hired by the Lakeshore for interpretive purposes on the islands. "Island Interpreters" provide general information to arriving island visitors, special lectures for visiting groups, and guided tours of South Manitou Island's historic lighthouse station. The cost of this program is \$8,500 per season, with payment made directly to the Sleeping Bear Dunes National Lakeshore.

**Part VIII** Your Specific Activities *(Continued)*

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4a re: Do you or will you undertake **fundraising**? If "Yes", check the fundraising programs you do or will conduct (See Instructions) ... Attach a description of each fundraising program.

Mail Solicitations

The Friends of the Manitous provides three newsletters per year (Spring, Summer, and Fall/Winter) plus a special holiday season (Christmas/New Year) issue. These are distributed to members and other interested parties by mail, and contain reply envelopes which enable recipients to conveniently send back contributions.

Email Solicitations

Members have the option of receiving newsletters electronically, rather than through the mail. Emails delivering newsletters by this method include a solicitation similar to the paper remittance envelopes that accompany mailed newsletters. The Friends also maintain an opt-in notification list enabling members and other interested parties to receive meeting notices, information about special volunteer opportunities and other notices of interest by email. Opt-in messages also always contain solicitations for contributions.

Personal Solicitations

Contributions are always solicited at some point during all meetings and special events.

Accept Donations on Your Web Site

A contribution page is provided on the [www.friendsofthemanitous.org](http://www.friendsofthemanitous.org) web site. This feature is used to support the email solicitations mentioned above, as well as to provide an opportunity for anyone visiting the web site to contribute financially to our mission. Online contributions are processed securely by PayPal®, which enables donors to make contributions directly out of their bank account, or using a credit card. PayPal charges a small fee for this service. Money received through PayPal is withdrawn directly into the Friends bank account.

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**Part VIII** Your Specific Activities *(Continued)*

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**4d** re: 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 Manitous addresses its fundraising appeals to members and other interested parties who reside all across the United States, rather than from persons located within any particular state or government jurisdiction. These activities are conducted solely on behalf of the Friends of the Manitous. Except as noted in *Part IV, Question 1b*, proceeds from these fundraising activities are not shared with any other organization, nor does the Friends share in proceeds collected by any other organization.**

**Part VIII** Your Specific Activities (Continued)

10 re: 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.

Although the Friends of the Manitous, in the normal course of its activities, creates copyrighted materials such as newsletters, brochures, booklets and web pages, that constitute "intellectual property", it has never exploited such materials for commercial purposes, and has no intention of ever doing so. Such materials are produced strictly in support of fundraising activities. Nevertheless, to avoid possible misunderstandings and conflicts with members and volunteers who produce such material from time to time, the organization does have a standing policy on intellectual property rights, which is reprinted below:



## Policy on Intellectual Property Rights

Should work that a volunteer performs for Friends of the Manitous result in the creation of intellectual property rights, the volunteer agrees, as a condition of volunteer employment, that:

- a. such intellectual property shall be deemed a work made for hire owned by Friends of the Manitous Inc., and
- b. to the extent it does not qualify as a work made for hire for any reason, the volunteer irrevocably and unconditionally assigns to by Friends of the Manitous Inc. all rights, title, and interest in and to any such intellectual property rights, and
- c. this is true even if the material developed by the volunteer is published under his/her name by Friends of the Manitous or some other entity.

The volunteer further agrees that s/he will not make commercial use of the information or material developed while volunteering at Friends of the Manitous, either while volunteering for or after leaving Friends of the Manitous, without the express written approval of Friends of the Manitous.

### CERTIFICATION

I, William R Strating, Secretary of the Friends of the Manitous, Inc., a Michigan nonprofit corporation, hereby certify that the attached *Policy on Intellectual Property Rights* was adopted by the Board of Directors of the Friends of the Manitous in a legally called meeting held on September 1, 2006, and further certify that after being put to vote, the number of votes cast for the Policy was sufficient for its approval.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2006.

FRIENDS OF THE MANITOUS, INC.,  
A Michigan nonprofit corporation

By: \_\_\_\_\_

William R Strating, Secretary

**Part VIII Your Specific Activities** *(Continued)*

**13a** re: Do you or will you make grants, loans or other distributions to organizations(s)? If "Yes", answer lines 13b through 13g. If "No", go to line 14a.

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

From time to time the Friends of the Manitou provides small grants to the Sleeping Bear Dunes National Lakeshore (NPS) and other exempt nonprofit organizations serving the Lakeshore. Such grants are used by these other organizations to accomplish purposes on North or South Manitou Islands that are clearly within the scope of our exempt purposes, as defined in our Articles of Incorporation (see attached long form) and the "Narrative" provided herein. The money is used, in other words, to fund initiatives we could legitimately undertake ourselves, but where management by some other entity proves more effective or convenient.

For example, the park Superintendent might determine that a roof repair needed to preserve the integrity of a historic structure should, for safety reasons, be completed by their own maintenance team, rather than by a volunteer crew, inviting the Friends to participate by paying for the necessary materials. The preservation of historic buildings on the islands for future generations of the public to appreciate is within the scope of our exempt purposes.

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

- Sleeping Bear Dunes National Lakeshore (NPS), Empire, MI
- Friends of Sleeping Bear Dunes, Traverse City, MI
- Preserve Historic Sleeping Bear, Empire, MI

The two nonprofits listed above are organized as 501(c)3 public charities, with purposes similar to the Friends of the Manitou in service to the Sleeping Bear Dunes National Lakeshore. Other than that, there is no relationship between our organizations. Board members of the Friends of the Manitou are not, under the bylaws, permitted to serve on the board of any other organization with a similar mission.

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

Small grants are approved by vote of the board of directors. The initial solicitation and the approval of funding therefore appear in the permanent record as board meeting minutes. Grants are paid after recipients provide a "Remittance Request" report, either upon the commencement or the completion of their project, indicating exactly how the funding will be or was used. A copy of the form is provided on the following page.

**13f<sub>ii</sub>** re: 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.

Small grants are solicited by NPS by letter, or by the Lakeshore's annual "wish list", a digest of needs considered urgent, but not fundable within the constraints of NPS budgets. Small grants are solicited by the other nonprofits by letter, or verbally in the context of Friends of the Manitou board meetings. In every case it is understood by both parties that the money will be spent for the purposes it was originally intended to pay for, as defined on the Friends of the Manitou "Remittance Request" form.

Friends of the Manitou responsibilities are generally limited to paying the grant in a timely manner when this form has been properly completed and submitted. This is a small community involving a national park and its nonprofit "partners". Communications between the parties is such that formal provisions for oversight during such projects, by physical inspection or the submission of written progress reports, are generally not considered necessary or appropriate.

There have been no provisions in connection with small grants to withhold payment or recover funds in the event misuse is proven or suspected. The use of the "Remittance Request" form, which includes a certification that funds have been or will be properly applied, serves to preclude this eventuality. In the event that grant funds were, at some time, misappropriated, recourse would simply be a refusal to participate financially in such projects in the future.

**13g** re: 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.

Please see above (notes for item 13f<sub>ii</sub>) regarding oversight during the term of small grants. Final review of completed small grant projects is a routine board function, with final conclusions formally recorded in minutes of board meetings.

**Part VIII** Your Specific Activities (Continued)

13a-g re: Friends of the Manitous "Remittance Request" form (please see previous page for references to this form)

 <div style="display: inline-block; vertical-align: middle; margin-left: 20px;"> <p><b>REMITTANCE REQUEST</b>                  Friends of the Manitous                  PO Box 987, Empire, MI 49630-0987                  www.friendsofthemanitous.org</p> </div>		1. Payment Type <input type="checkbox"/> Advance <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final <input type="checkbox"/> Partial
2. Total Amount Requested		
3. Recipient Organization	4. Payee (if different than item 3)	
<b>USE OF FUNDS</b>		
5. Activity, Program or Project (Briefly describe the activity. Itemize expenditures or cost items, if appropriate.)		
<b>CERTIFICATION</b>		
I certify that the information provided above is correct, that all outlays were or will be made in accordance with the above description and any other controlling agreements, and that previous payments have not been accepted for the same purposes.	6. Signature of Authorized Recipient	7. Date Signed
	8. Typed or Printed Name and Title	9. Telephone Number
	10. Email Address	
FotM Form - 05/03/2004 (Rev 08/26/2006) <div style="float: right; margin-top: 10px;"> <span style="background-color: red; color: white; padding: 5px 15px; border-radius: 3px;">Erase</span> <span style="background-color: blue; color: white; padding: 5px 15px; border-radius: 3px; margin-left: 10px;">Print</span> </div>		

**Part IX Financial Data**

A1 re: Gifts, grants, and contributions received (do not include unusual grants)

	<u>FY06/07</u>	<u>FY05/06</u>	<u>FY04/05</u>
<b>Seed Money: \$500 each from three founders</b>			\$1,500
<b>\$100 each from sixteen "Charter Members"</b>			1,600
<b>General donations and contributions</b>	<u>\$7,350</u>	<u>\$5,120</u>	<u>504</u>
<b>TOTAL</b>	<b>\$7,350</b>	<b>\$5,120</b>	<b>\$3,604</b>

A14 re: Fundraising expenses

<b>Brochures: printing cost (5,000 @ 13¢)</b>			\$ 650
<b>Newsletters: printing and mailing cost<sup>1</sup></b>	\$ 310	\$ 203	158
<b>Visitor guide handout booklet for South Manitou Island (1,500 @ 36¢)</b>	<u>540</u>		
<b>TOTAL</b>	<b>\$ 850</b>	<b>\$ 203</b>	<b>\$ 708</b>

A15 re: Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)

<b>Grant to SLBE<sup>2</sup> for materials to rebuild H. Haas shanty on South Manitou</b>		\$625	
<b>Grant to SLBE for "Island Interpreter" Ranger for South Manitou</b>	\$8,500		
<b>Grant to PHSB for recovery of vernacular farm fields</b>	<u>1,450</u>		
<b>TOTAL</b>	<b>\$9,950</b>	<b>\$ 625</b>	<b>\$ 0</b>

A23 re: Any expense not otherwise classified, such as program services (attach itemized list)

<b>Office supplies<sup>3</sup></b>	\$ 97	\$ 118	58
<b>www.friendsofthemanitous.org web site hosting</b>	47	47	47
<b>Annual Meeting – hall rental</b>	150	75	75
<b>– supplies (coffee, disposable dinnerware, etc.)</b>	36	32	24
<b>– signs, table decorations</b>	86	25	
<b>– catered entrée</b>	150		
<b>Island Excursion – box lunches (public educational event)</b>	423	182	104
<b>– MIT complementary parking</b>	<u>47</u>	<u>18</u>	
<b>TOTAL</b>	<b>\$1,036</b>	<b>\$ 497</b>	<b>\$ 308</b>

B3 re: inventories

<b>Printed brochures (2500 @ 13¢)</b>	<b>\$ 325</b>
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<sup>1</sup> FY06/07-three 8-page newsletters and holiday season calendar mailed to 248 addresses. FY05/06-three 6-page newsletters mailed to 168 addresses. FY04/05-two 4-page newsletters mailed to 100 addresses

<sup>2</sup> SLBE = Sleeping Bear Dunes National Lakeshore (NPS)

<sup>3</sup> FY06/07-three 8-page newsletters and holiday season calendar mailed to 248 addresses. FY05/06-three 6-page newsletters mailed to 168 addresses. FY04/05-two 4-page newsletters mailed to 100 addresses