

BOARD MEMBER INDEPENDENCE QUESTIONNAIRE

Please have all Board members, officer, and key employees complete the questionnaire below. This will help determine whether Board members are independent, so that question 2 in the Governing Body section of the first tab of the 990 questionnaire can be answered accurately. You do not need to return these forms to Peterson Sullivan.

Note: Question 5 contains a double negative, please be sure these question is answered correctly.

1. Do you have a business or family relationship with any other officer, director, trustee or key employee of the organization?

Family relationships that need to be disclosed are: Spouse, children (includes adopted), grand children, other lineal descendents, sister, brother, parent, grandparents, or other ancestors, or any spouse of the foregoing.

Business relationship is defined as:

1. One person being employed by the other in a sole proprietorship, or by an organization in which the other person is a current or former: trustee, director, officer, key employee or greater than 35% owner.
2. One person transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization's tax year (indirect transactions are the transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater than 35% owner); or
3. The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.
4. Business relationship for this purpose excludes relationships in the ordinary course of business (that is, on terms generally offered to the public) and privileged relationships between attorney and client, medical professional and patient, or clergy and communicant.

Yes

No

If yes, please indicate the names of the individuals with whom you have a relationship and indicate the words family or business below the name. Please add additional space or provide separate listing if necessary. No further information is required.

Name: _____

Relationship: _____

5. Have you or any of your family members had any business transactions with the organization, either directly or indirectly through an organization with which you or a family member is a board member, trustee, director, or owner? Please note family and business relationships described above.

- Yes
- No

If so, please describe the transaction, relationship, amount and the percent ownership if it is with a company you or your family member owns. This can include joint ventures in which either the profits or capital interest of the organization and you exceed 10%. Contributions or membership dues paid to the organization, grants, or loans are not considered for this purpose. Please add additional space or separate listing if necessary.

Description of transaction: _____
Description of relationship: _____
Amount of transaction: _____
% of ownership: _____

6. Are any of your family members employed by the organization?

- Yes
- No

If so, please name the employed family member.

Name: _____

7. Did you or a family member receive any grants (scholarship, internships, prizes, etc.) or other assistance (goods or services, use of facilities, etc) from the organization during the year regardless of amount?

- Yes
- No

If so, please the name of the person receiving the grant or assistance, the relationship to organization, and amount of grant/assistance. Please add additional space or separate listing if necessary.

Name: _____
Relationship with organization: _____
Amount of assistance: _____

8. Are you NOT "independent" from the organization?

Yes

No

If yes, please describe why you are not independent.

You are "independent" if the following three circumstances applied at all times during the organization's tax year:

1. You are not compensated as an officer or other employee of the organization or related organization, AND
2. You did not receive total compensation or other payments exceeding \$10,000 during the organization's tax year from the organization or from related organizations as an independent contractor, other than reimbursement of expenses under an accountable plan or reasonable compensation for services provided in the capacity as a member of the governing body, AND
3. Neither you nor any family member was involved in a transaction with the organization (whether directly or indirectly through an affiliation with another organization) that is required to be reported as a business transaction (see definition above) in the organization's tax return.

I hereby confirm that I accept the organization's Conflict of Interest Policy and [check one]

[] have checked NO to all questions above, or

[] have checked YES to one or more questions and provided the required information.

Signature: _____

Date: _____

CONTACT US

Looking for a firm that understands your unique circumstances? For more information on our start-up services, please contact us at 206.382.7777 or visit pscpa.com. In a brief consultation, we can assess your situation and determine how we can assist you.