



## State of Washington

### PUBLIC DISCLOSURE COMMISSION

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#### BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH  
RCW 42.17A

Seattle Foundation

Respondent

PDC Case 92059

Report of Investigation

#### I. Background, Complaint and Allegation

- 1.1 The Seattle Foundation is a 501(c)(3) nonprofit community-based foundation that was founded in 1946 and “*serves as a public charity facilitating and pooling donations used to address community needs and to support local nonprofits.*” The Seattle Foundation “*receives donations from individuals, families, businesses, and other organizations, many of which are maintained in donor advised funds and/or subject to donor-imposed restrictions, such as endowments or scholarships.*”
- 1.2 On May 25, 2021, Stefan Sharkansky filed a complaint with the PDC against SF alleging violations of RCW 42.17A.207, .235 and .240 by failing to timely register and report as an incidental committee for the following contributions made by the Seattle Foundation during calendar years 2019 and 2020 (**Exhibit #1**):
  - A \$50,000 monetary contribution was reported as having been received from the Seattle Foundation on October 22, 2020, by Yes for Transit, a 2020 local City of Seattle transportation ballot measure.
  - A \$50,000 monetary contribution was reported as having been received from the Seattle Foundation on October 21, 2019, by Washington Fairness Coalition.
  - A \$50,000 contribution was reported as having been received from the Seattle Foundation on October 18, 2019, by Keep Washington Rolling.
- 1.3 On August 18, 2021, the PDC held an Initial Hearing (Case Status Review Hearing), after opening a formal investigation for the Seattle Foundation concerning this matter. Rob Maguire, an attorney with Davis, Wright, Tremaine, LLP, participated in the Case Review Status as legal counsel on behalf of the Seattle Foundation.

## II. Investigative Findings

- 2.1 **RCW 42.17A.207(1)(a)** states that “An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first: (i) Has the expectation of making any expenditures aggregating at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and (ii) Is required to disclose a payment received under RCW 42.17A.240(2)(d).
- 2.2 **RCW 42.17A.235(30(b))** states in that once an incidental committee is registered with the PDC, the incidental committee shall file a report on the tenth day of each month during which the committee has either received a payment that would change the information required under RCW 42.17A.240(2)(d) as included in its last report, or made any election campaign expenditures reportable under RCW 42.17A.240 since the last report was filed, and the total election campaign expenditures made that exceed two hundred dollars since the last report was filed.
- 2.3 As part of staff’s investigation, staff conducted an Advanced Search of the contribution database which includes information dating back to 2009 and discovered the Seattle Foundation (SF) had made a total of four monetary contributions, all made to ballot measure committees registered with the PDC.
- 2.4 Staff’s review confirmed the three contributions identified in the complaint that included: (1) Yes for Transit, a \$50,000 monetary contribution was disclosed as received on October 22, 2020; (2) Washington Fairness Coalition, a \$50,000 monetary contribution was received on October 21, 2019; and (3) Keep Washington Rolling, a \$50,000 monetary contribution was received on October 18, 2019.
- 2.5 The fourth SF contribution found by staff was for a \$100,000 monetary contribution made to Clear Air Clean Energy Washington, that was disclosed as received on October 25, 2018. Staff noted that the \$100,000 contribution made by SF in 2018 was made prior to the incidental committee statute becoming law, was not required to have been disclosed by SF, and was not investigated by staff.
- 2.6 SF publishes its annual financial activities on its website by providing links to the audited consolidated financial statements and IRS Form 990’s that were filed for several years. Staff reviewed information on the SF website that included a link to the 2019 Form 990 filed by SF with the Internal Revenue Service (IRS). Under the Endowment Funds section of Form 990, SF listed a beginning funds balance of more than \$328 million, that in 2019, SF received more than \$18 million in contributions; more than \$61 million in Net Investments, earnings, gains and losses; and received more than \$11 million in grants and scholarships.
- 2.7 Mr. Maguire submitted the following responses on behalf of the SF, that served as the basis for the information included in this Report of Investigation.
  - An initial SF response letter addressing the complaint and allegations was received by the PDC on July 23, 2021. **(Exhibit #2)**
  - A supplemental SF response email was received by the PDC on August 10, 2021, in response to PDC staff’s questions and was copied and pasted into a Word document and saved as a PDF copy. **(Exhibit #3)**

- A second SF supplemental response letter was received by the PDC on September 27, 2021, responding to PDC staff follow-up questions and request for additional information. **(Exhibit #4)**
- A two-paged emailed response received by the PDC on October 29, 2021, that was copied and pasted in a Word document and saved as a PDF copy. **(Exhibit #5)**
- An additional SF response letter was received by the PDC on December 9, 2021, responding to PDC staff questions. **(Exhibit #6)**

2.8 Mr. Maguire stated that SF’s mission is to foster philanthropy within King County to make it a “stronger and more vibrant community for all.” He stated that SF currently manages more than 1,200 separate and unique funds, which offers “a variety of grantmaking mechanisms, including grantmaking from unrestricted funds, advised funds, designated funds, area of interest funds, scholarship funds, and supporting organizations.”

2.9 Mr. Maguire stated that SF “tracks the sources and purposes of different donations separately and manages all of its accounting through separate funds, including for administrative operations” and SF. He stated that some donors impose restrictions on the use of the gifted funds when they are donated and added those donations fall into two categories: the spending of the funds and the intended use of the funds.

2.10 Mr. Maguire stated that a SF donor’s “*spending restrictions limit when funds may be spent*” such as a donor directs SF to maintain the funds as an endowment, or “*use restrictions limit the purposes for which Seattle Foundation may spend the funds*” such as restricting the use of the funds to support environmental causes, for example. He stated the gifts SF receives from donors are charitable deductions, and the donors may not require or designate SF to distribute donated funds to a particular recipient. He stated that SF has four types of funds that it receives from donors, that include the following:

- (1) **Designated Funds:** Designated funds are funds established to benefit an identified public charity and may not be used to make political contributions or to contribute to a political or ballot proposition committee. Mr. Maguire provided footnoted information that included the example of SF creating the United Way of King County (UWKC) Administrative Endowment Fund. He stated that SF supports UWKC operations through annual grants provided by SF and noted that the total value of UWKC endowment fund was more than \$140 million at the end of calendar year 2020.
- (2) **Advised Funds:** Advised Funds are funds that a donor or designee “may make recommendations periodically regarding distributions for specific charitable purposes or to one or more charitable organizations.” Mr. Maguire stated that advised funds may not be used to make political contributions or to contribute to a political or ballot proposition committee.
- (3) **Area of Interest Funds:** Area of Interest Funds are funds that are “established to benefit specific charitable purposes, geographic regions, and/or types of charities.” Mr. Maguire stated that there is an exception for whenever an SF donor makes a gift, the donor is required to complete an SF intake form, that allows the donor “the option of creating an Area of Interest Fund.

In so doing, the donor may indicate the interest areas or geographic areas the donor wishes to support such as Arts & Culture; Basic Needs; Economy; Education; Environment; Global; Health & Wellness; Vibrant Communities; or another area of interest.” Mr. Maguire stated that while the donor is allowed to indicate the donor’s preference for an area of interest fund, all decisions made about the use of a donor’s gift to SF are made relying on SF’s staffs “extensive experience and reach with the community to know which needs are most pressing within your stated interest area(s). Accordingly, donors may not direct the funds to any particular recipient only indicate broad areas of interest.”

- (4) **Unrestricted Funds:** Unrestricted Funds are funds received by the SF are not subject to the restrictions listed for the other fund types, but SF noted that these funds make up a small percentage or amount of the total donations received by SF.

Mr. Maguire stated that unrestricted funds “are distributed in accordance with the standards and criteria set forth” in SF’s Operating Guidelines that includes prioritizing “certain community charitable needs in Washington, and specifically in King County.”

Mr. Maguire stated that grants from SF’s Unrestricted Funds will only be made if consistent with SF’s “exempt purposes, and no grant shall be made to satisfy a legally enforceable pledge or other obligation of or on behalf of a donor or any other individual.” The guidelines “note, as required by federal tax law, that grant funds may not be used to participate in any candidate campaign and that no substantial part of total grants will be used to influence legislation.”

- 2.11 Mr. Maguire stated that some of the 1,200 funds that SF manages involves the use of “Interfund transfers” which are internal fund transfers of money between two SF funds. He stated that each interfund transfer includes “two distinct transactions: monies granted from one Fund and monies received into another Fund.” He stated that interfund transfers only includes SF donor received gifts and grants.
- 2.12 Mr. Maguire stated that donations received by the SF are not included in interfund transfers. He went on to provide the following example: “if Person X leaves funds to Seattle Foundation as part of her estate planning, she may specify that she would like those funds to be used for a general purpose such as supporting public education in Seattle. If Seattle Foundation has an Area of Interest Fund with a purpose aligned with supporting public education in Seattle, an interfund transfer may occur to transfer money from the funds left to Seattle Foundation by Person X into the aligned Area of Interest Fund.”
- 2.13 As noted earlier, only SF Area of Interest Funds and Unrestricted Funds may make contributions to political committees. Mr. Maguire stated that the SF contributions listed in Mr. Sharkansky’s complaint and confirmed by PDC staff’s investigation, were all were made from three different SF Area of Interest funds as noted below and detailed later in this Report of Investigation.
- SF’s Climate Justice Area of Interest fund contributed \$50,000 to Keep Washington Rolling in 2019. The Climate Justice Area of Interest fund received only \$265 in new donations during 2019, with the remainder of the fund, \$254,250 coming from interfund transfers. SF stated that the interfund transfers involved funds that were created before 2019, when the statute took effect, with none of the gifts or funds designated or earmarked for political contributions.

- SF’s Catalyzing Community Impact fund contributed \$50,000 to the Washington Fairness Coalition in 2019. The Catalyzing Community Impact Fund received \$5 in new donations during 2019. with the remainder of funding, a total of \$147,000 having come from SF interfund transfers. As noted above, SF stated that the interfund transfers involved funds that were received prior to 2019, when the statute took effect, and that none of the gifts or funds designated or earmarked for political contributions.
- SF’s Civic Leadership Area of Interest fund contributed \$50,000 to Yes for Transit in 2020. The Civic Leadership Area of Interest fund was created in 2017, received most of its funding between 2017- 2020, but noted that the fund did receive one gift/donation of more than \$10,000 after it made the \$50,000 contribution to Yes for Transit 2020.

2.14 Mr. Maguire stated that one characteristic of the 1,200 funds maintained and managed by SF is SF “retains ultimate discretion and control over how the funds are used, subject to the legal limitations....” For example, the “Fund Terms & Conditions” on the SF intake form explains under “Restrictions on Grants from Funds,” that “Distributions from funds established at the Foundation will be made only if they are consistent with the Foundation’s charitable purposes and satisfy community needs identified by the Foundation as deserving of its support.”

#### **2020 Civic Leadership Area of Interest fund**

2.15 The SF- 2020 Civic Leadership Area of Interest Fund made a \$50,000 monetary contribution that was disclosed as received on October 22, 2020, by Yes for Transit, a 2020 local ballot committee in support of a City of Seattle transportation ballot measure on the November 3, 2020, general election ballot.

2.16 Mr. Maguire noted that SF’s Executive Committee’s meeting minutes for October 15, 2020, reflected the discussion and approval for the Civic Leadership Fund to make the \$50,000 monetary contribution to Yes for Transit 2020 Campaign. He stated that the \$50,000 monetary contribution came from the existing balance in the Civic Leadership Fund and included the fund information in the chart below. He noted that the total fund balance listed represented “the accumulation of donations from previous periods, plus contributions directly made to the Civic Leadership Fund in 2020.” He stated that no gifts of \$10,000 or more were received by the Civic Leadership Fund 2020 (CLF 2020) in 2020 prior to making the \$50,000 contribution to Yes for Transit Campaign.

2.17 Mr. Maguire stated that during calendar year 2020, the CLF 2020 made \$58,000 in total expenditures that included the \$50,000 grant/monetary contribution that was made to Yes on Transit 2020. CLF 2020 made an additional \$8,000 grant “to Byrd Barr Place to support research on Black-led organizations.”

<b>Total Contribution Activities to CLF in CY 2020 prior to October 16, 2020</b>	<b>Amount</b>	<b># of Donors</b>	<b>Average donation</b>
Starting Balance (1/1/2020)	<b>\$392,449.46</b>		
From SF website	\$ 31,728.50	86	\$ 369.00
DAF Grant Transfers	\$ 4,000.00	2	\$ 2,000.00
Employee Giving Programs	\$ 1,150.00	4	\$ 288.00
Corporate Gift	\$ 1,000.00	1	\$ 1,000.00
<b>Subtotal CY 2020</b>	<b>\$ 37,878.50</b>		

Individual Gift Received (12/31/2020)	\$ 25,000.00	1	\$ 25,000.00
Expenditures/disbursements CY 2020	(-) \$ 58,000.00		
<b>Ending CLF Balance (12/31/2020)</b>	<b>\$397,327.96</b>		

2.18 Based on the date CLF 2020 made the \$50,000 contribution to the 2020 Yes for Transit Committee, a C-1 IC report was required to have been filed within two weeks of making the or no later than November 5, 2020. In addition, CLF 2020 was required to file a C-8 report no later than December 10, 2020, disclosing the \$50,000 contribution made to Yes for Transit, and the top 10 largest sources of payments received more than \$10,000.

2.19 CLF 2020 filed both the C-1 IC report and C-8 reports on March 4, 2022. **(Exhibit #7)**

### 2021 Civic Leadership Area of Interest fund

2.20 The SF- 2021 Civic Leadership Area of Interest Fund (CLF 2021) made a \$40,000 monetary contribution that was disclosed as having been received on July 23, 2021, by Best Starts for Kids, a 2021 local ballot committee in support of a King County levy in support of children on the August 3, 2021, primary election ballot. Mr. Maguire noted that the CLF 2021 “has paused all grant-making until the incidental committee registration and reporting issue is resolved with the PDC.”

2.21 Mr. Maguire stated that CLF 2021 have made no new contributions or independent expenditures since they paused grant-making in 2021. The 2021 funding sources for the Civic Leadership Fund are set forth below:

<b>Total Contribution Activities to CLF in CY 2021</b>	<b>Amount</b>	<b># of Donors</b>	<b>Average donation</b>
Starting Balance (1/1/2021)	\$397,327.96		
Interfund Transfer (Interest from pre-existing funds Area of Interest and Community Funds)	\$ 150,000	1	\$150,000
DAF Grant Transfers	\$ 2,000	1	\$2,000
New Gifts through Website	\$ 9,754	41	\$238
Expenditures/disbursements CY 2020	(-) \$ 40,000.00		
<b>Ending CLF Balance (12/31/2021)</b>	<b>\$519,081.96</b>		

2.22 Based on the date CLF 2021 made the \$40,000 contribution to Best Starts for Kids, a C-1IC was required to have been filed within two weeks of making the contribution or no later than August 6, 2021. In addition, CLF 2021 was required to file a C-8 report no later than September 10, 2021, disclosing the \$40,000 contribution made to Best Starts for Kids, and the top 10 largest sources of payments received more than \$10,000.

2.23 CLF 2021 filed both the C-1 IC report and C-8 reports on March 4, 2022. **(Exhibit #7)**

### 2019 Climate Justice Area of Interest fund

2.24 The SF Climate Justice Fund made a \$50,000 monetary contribution that was disclosed as having been received from the SF on October 18, 2019, by Keep Washington Rolling.

- 2.25 Mr. Maguire stated that the Climate Justice Fund (CJF) was created by SF in 2019, “to develop long-term strategies and partnerships addressing and decreasing the harm low-income people and communities of color experience from climate change.” He stated the CJF fund “invests in community-based research, builds coalitions bridging social and environmental justice, and strengthens the capacity of nonprofits working to advance climate solutions.” He added the fund exists to align SF’s philanthropic efforts towards climate justice for the more vulnerable communities.
- 2.26 Mr. Maguire stated that CJF received \$265 in online contributions in 2019 after making the \$50,000 contribution to Keep Washington Rolling. He stated that the overwhelming majority of the “funding for the Climate Justice Fund came from existing Seattle Foundation funds—all of which were created” prior to calendar year 2019, as summarized in the chart below.

<b>2019 Funding for Climate Justice Fund</b>	<b>Amount</b>	<b># of Donors</b>	<b>Average donation</b>
Starting Balance (1/1/2019)	\$ 0		
Interfund DAF Transfers	\$ 54,500.00	8	\$ 6,813.00
Interfund Transfers from Area of Interest Funds	\$ 554,000.00	1	\$554,000.00
<b>Subtotal at 10/18/2019 (Date of Political Contribution)</b>	\$ 608,500.00		
Online Giving post 10/18	\$ 265.00	1	\$ 1,000.00
Interfund DAF Transfers Post 10/18	\$ 199,750.00	10	\$ 19,975.00
Individual Gift Received (12/31/2020)	\$ 25,000.00	1	\$ 25,000.00
Interfund Transfer of Unrestricted 2017 Bequest post 10/18	\$ 150,000.00	1	\$150,000.00
Expenditures/disbursements CY 2019	(-) \$ 610,000.00		
<b>Ending CJF Balance (12/31/2019)</b>	<b>\$373,515.00</b>		

- 2.27 During calendar year 2019, CJF made \$610,000 in total grants, expenditures or disbursements from the fund that included the \$50,000 monetary contribution made to Keep Washington Rolling.
- 2.28 In addition, CJF made the following grants, expenditures, or disbursements during calendar year 2019: (1) \$100,000 to the Transportation Choices Coalition;(2) \$75,000 each to Na'ah Illahee and Duwamish River Clean; (3) \$50,000 each to 350 Seattle, Got Green, and the WA Environmental Council; (4) \$25,000 each to Latino Community Fun, Center for Diversity, Clean Energy Transit, and Climate Solutions; and (5) \$10,000 to OneAmerica.
- 2.29 For calendar year 2019, CJF was required to file a C-1 IC report within two weeks of making the \$50,000 contribution to Keep Washington Rolling or no later than November 1, 2019. In addition, CJF was required to file a C-8 report no later than November 1, 2019, disclosing the \$50,000 contribution made to Keep Washington Rolling, and the top 10 largest sources of payments received more than \$10,000.
- 2.30 The Climate Justice Area of Interest Fund filed both the C-1 IC report and C-8 reports on March 4, 2022. **(Exhibit #7)**

## 2019 Catalyzing Community Impact Area of Interest fund

- 2.31 The Catalyzing Community Impact Area of Interest fund made a \$50,000 monetary contribution that was disclosed as having been received from the SF on October 21, 2019, by Washington Fairness Coalition, a statewide ballot committee in support of Initiative 1000/Referendum 88, a statewide initiative on the November 5, 2019, general election ballot.
- 2.32 Mr. Maguire stated that the Catalyzing Community Impact Area of Interest fund (CCI) was created by SF in 2019, “to develop long-term strategies and partnerships empowering people in the places where they love by increasing civic participation, community leadership and community organizing capacity.” He stated that CCI’s focus is “to empower underrepresented communities to create and implement strategies that will remove barriers to power and decision making.” He stated that CCI received \$5 in online contributions in 2019, and that the funding for CCI “came from existing Seattle Foundation funds—all of which were created pre-2019” as noted in the chart below.

2019 Funding for Climate Justice Fund	Amount	# of Donors	Average donation
Starting Balance (1/1/2019)	\$0		
Online Giving	\$5	1	\$5
Interfund DAF Transfers	\$47,000	5	\$ 9,400
Interfund Transfers from Area of Interest Funds	\$58,995	1	\$58,995
<b>Subtotal at 10/18/2019 (Date of Political Contribution)</b>	<b>\$106,000</b>		
Interfund DAF Transfers Post 10/18	\$100,000	6	\$16,667
Interfund Transfer of Unrestricted Bequest received in 2017	\$150,000	1	\$150,000
Expenditures/disbursements CY 2019	\$50,750		
<b>Ending CJF Balance (12/31/2019)</b>	<b>\$305,250</b>		

- 2.33 During calendar year 2019, the CCI fund made \$50,750 in grants, expenditures or disbursements that included the \$50,000 monetary contribution to the WA Fairness Coalition, and three \$250 grants CCI made to Eastside Pathways, India Association of Western WA, and Latino Community Fund.
- 2.34 CCI was required to file a C-1IC within two weeks of making the \$50,000 contribution to the Washington Fairness Coalition or no later than November 4, 2019. In addition, CCI was required to file a C-8 report no later than November 4, 2019, disclosing the \$50,000 contribution and the top 10 largest sources of payments received during calendar year 2019 more than \$10,000.
- 2.35 CCI filed both the C-1 IC report and C-8 reports on March 4, 2022. (**Exhibit #7**)

## Additional SF responses and supplemental information

- 2.36 After extensive email exchanges between PDC staff and Mr. Maguire, drilling down into the funds that make up the Seattle Foundation, both parties agreed that the four Area of Interest Funds that made the contributions should register and report as incidental committees for the specific calendar year rather than the entire Seattle Foundation as an entity.



- 2.37 Mr. Maguire noted that “if the purpose of the incidental committee reporting requirement is to publicly disclose the source of funds used for political contributions, then the only relevant disclosure is of the source of Civic Leadership Area of Interest Funds (which is set forth above). Indeed, disclosure of the overall top ten donors to Seattle Foundation would be misleading as none of those donations was to the Civic Leadership Area of Interest Fund—and forcing disclosure of donors making major charitable gifts unconnected to any political activity will chill charitable giving and harm the public interest.”
- 2.38 Mr. Maguire reiterated, as noted in section 2.10 of this Report of Investigation, that most of the funds administered by SF “cannot contribute to political committees and are used for charitable purposes.” He stated that as an example, SF provided PDC staff with the following top ten contributions/gifts/etc.... received by SF in calendar years 2020, but with “a generic anonymized donor description” as listed in the PDC staff generated chart below.

Type of Donor	Area of Interest	CY 2020 totals
Individual	Interest: all of Washington	\$16,345,059
Trust	Advised: Named DAF	\$10,218,669
Estate	Advised: Named DAF	\$10,000,000
Individual	Advised: Named DAF	\$ 7,374,071
Foundation	Interest: Multiple, but not for the Civic Leadership Fund	\$ 7,307,330
Charity	Interest: Covid 19 Response Fund	\$ 6,295,600
Private Company	Interest: all of Washington	\$ 5,613,500
Estate	Interest: Unrestricted Charitable Gift	\$ 5,379,080
Charity	Interest: Covid 19 Response Fund	\$ 5,131,200
Individual	Advised: Named DAF	\$ 5,000,000

- 2.39 Mr. Maguire stated that the amounts received by SF in calendar year 2020 were substantially larger than the Civic Leadership Area of Interest Fund balance, and none of those funds were transferred to or otherwise used by the Civic Leadership Area of Interest Fund. He stated that SF was “unaware of the relatively new statute and is committed to complying with any disclosure obligations, but it does not believe the registration and reporting statutes apply to the activities raised in the complaint.”
- 2.40 Mr. Maguire stated that both the PDC and the Attorney Generals’ Office (AG) “have previously analyzed political committee formation questions by focusing on the purpose and activities of a particular fund involved in receiving a contribution or making an expenditure, rather than of the overall organization.”
- 2.41 Mr. Maguire added that SF is assuming the PDC will take a similar approach concerning the registration and reporting of incidental committees and “focus on the individual funds at issue, particularly given the structure of an organization such as Seattle Foundation which manages distinct funds.”
- 2.42 On April 13, 2022, PDC staff received through the mail a Statement of Understanding (SOU) completed by the Seattle Foundation acknowledging a total of eight violations and paying a civil penalty of \$1,000 in accordance with WAC 390-17-143, the Brief Enforcement Penalty Schedule that included the following:

- A \$500 penalty for four violations of RCW 42.17A.207, \$125 for each violation, for failing to timely register four statements of Incidental Committee organizations (PDC Form C-1 IC) for the following incidental committees: the 2020 and 2021 Civic Leadership Area of Interest Funds, the 2019 Catalyzing Community Impact Area of Interest fund, and the 2109 Climate Justice Fund.
- A \$500 penalty for four violations of RCW 42.17A.235 and .240, \$125 for each violation, for failing to timely file Incidental Committee reports (C-8 reports) for the following incidental committees: the 2020 and 2021 Civic Leadership Area of Interest Funds, the 2019 Catalyzing Community Impact Area of Interest fund, and the 2109 Climate Justice Fund.

### III. Scope

#### 3.1 PDC staff reviewed the following:

- The complaint and exhibits filed on May 25, 2021, by Stefan Sharkansky against the Seattle Foundation.
- The emailed responses, letters and detailed Seattle Foundation fund information provided by Rob Maguire, attorney with Davis Wright Tremaine LLP, and legal counsel on behalf of the Seattle Foundation that included:
  1. An initial SF response letter addressing the complaint and allegations was received by the PDC on July 23, 2021.
  2. A supplemental SF response email was received by the PDC on August 10, 2021, in response to PDC staff's questions and was copied and pasted into a Word document and saved as a PDF copy.
  3. A second SF supplemental response letter was received by the PDC on September 27, 2021, responding to PDC staff follow-up questions and request for additional information.
  4. A two-paged emailed response received by the PDC on October 29, 2021, that was copied and pasted in a Word document and saved as a PDF copy.
  5. An additional SF response letter was received by the PDC on December 9, 2021, responding to PDC staff questions.
- PDC database for contribution information made by the Seattle Foundation.
- The C-1 IC and C-8 reports filed by the Seattle Foundation for the 2020 and 2021 Civic Leadership Area of Interest Funds, the 2019 Catalyzing Community Impact Area of Interest fund, and the 2109 Climate Justice Fund.
- Google query results for Seattle Foundation and other Seattle Foundation information on the web.

#### IV. Statutes and Rules

- 4.1 **RCW 42.17A.005(28)** states that "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in excess of the reporting thresholds in **RCW 42.17A.235**, directly or through a political committee. Any nonprofit organization is not an incidental committee if it is only remitting payments through the nonprofit organization in an aggregated form and the nonprofit organization is not required to report those payments in accordance with this chapter.
- 4.2 **RCW 42.17A.207** states in part that "An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first: (i) has the expectation of making any expenditures aggregating at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and (ii) is required to disclose a payment received under **RCW 42.17A.240(2)(d)**. The Incidental Committee statement of organization must include the following: (1) the name, address, and electronic contact information of the committee; (2) the names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the relationship or affiliation; (3) the names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee; (4) the name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee; and (5) the ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition.
- 4.3 **RCW 42.17A.235(30(b))** states in part: "Each incidental committee shall file with the commission a report on the tenth day of each month during which the incidental committee is not otherwise required to report under this section only if the committee has: (i) Received a payment that would change the information required under **RCW 42.17A.240(2)(d)** as included in its last report; or (ii) Made any election campaign expenditure reportable under **\*RCW 42.17A.240(6)** since its last report, and the total election campaign expenditures made since the last report exceed two hundred dollars.

Respectfully submitted this 4<sup>th</sup> day of May 2022.

s/

Electronically Signed Kurt Young  
PDC Compliance Officer

**List of Exhibits**

- |                   |  |
|-------------------|--|
| <b>Exhibit #1</b> | The complaint and exhibits filed on May 25, 2021, by Stefan Sharkansky against the Seattle Foundation.   |
| <b>Exhibit #2</b> | Initial response to the complaint and allegations was received by the PDC on July 23, 2021, from Rob Maguire, legal counsel for the Seattle Foundation.  |
| <b>Exhibit #3</b> | Supplemental response received by the PDC on August 10, 2021, from Mr. Maguire in response to PDC staff's questions concerning the Seattle Foundation.   |
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<b>Respondent Name</b>
Seattle Foundation
<b>Complainant Name</b>
Stefan Sharkansky
<b>Complaint Description</b>
<p><u><a href="#">Stefan Sharkansky</a></u> (Tue, 25 May 2021 at 5:26 PM)</p> <p>1) Seattle Foundation is a Washington Public Benefit Corporation, tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Its 2019 IRS Form 990 is posted on its website at: <a href="https://www.seattlefoundation.org/-/media/SeaFdn/Files/Publications-and-brochures/AnnualReports/2019_Form_990.pdf">https://www.seattlefoundation.org/-/media/SeaFdn/Files/Publications-and-brochures/AnnualReports/2019_Form_990.pdf</a></p> <p>2) The Form 990 indicates that its 2019 revenues from contributions and services were approximately \$167 million, so presumably there were multiple sources which provided to the Foundation aggregated revenues in excess of \$10,000.</p> <p>3) The PDC's contributions database shows that Seattle Foundation made the following contributions to ballot measure committees during 2019 and 2020</p> <p>Washington Fairness Coalition, \$50,000 KEEP WASHINGTON ROLLING, \$50,000 Yes for Transit, \$50,000</p> <p>4) My search of the PDC's filings database does not show any filings of a form C1ic or a form C8 by Seattle Foundation.</p>
<b>What impact does the alleged violation(s) have on the public?</b>
The respondent's failure to disclose the information required by law can only reduce public confidence in the process by which campaigns are financed.
<b>List of attached evidence or contact information where evidence may be found</b>
See below.
<b>List of potential witnesses with contact information to reach them</b>
The respondent's executives, who should be reachable as per the entity's contact information: <a href="https://www.seattlefoundation.org/contact">https://www.seattlefoundation.org/contact</a>
<b>Certification (Complainant)</b>
I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.

July 23, 2021

Kurt Young  
Compliance Officer  
Washington Public Disclosure Commission  
711 Capital Way S., Suite 206  
Olympia, WA 98501

Re: Seattle Foundation – PDC Case Number 92059

Dear Mr. Young:

We are writing on behalf of Seattle Foundation in response to the complaint filed by Stefan Sharkansky. Mr. Sharkansky alleged that Seattle Foundation violated RCW 42.17A.207 by making contributions of \$50,000 each to Washington Fairness Coalition and Keep Washington Rolling in 2019 and to Yes for Transit in 2020. In short, Seattle Foundation was unaware of the relatively new statute and is committed to complying with any disclosure obligations, but it does not believe the registration and reporting statutes apply to the activities raised in the complaint.

Before addressing the specific contributions, it may be helpful to explain Seattle Foundation's basic structure. As a 501(c)(3) nonprofit community foundation founded in 1946, Seattle Foundation serves as a public charity facilitating and pooling donations used to address community needs and to support local nonprofits.

Seattle Foundation receives donations from individuals, families, businesses, and other organizations, many of which are maintained in donor advised funds and/or subject to donor-imposed restrictions, such as endowments or scholarships. As a result, Seattle Foundation tracks the sources and purposes of different donations separately and manages all of its accounting through separate funds, including for administrative operations. Seattle Foundation currently manages more than 1,200 unique funds.

In addition to donor advised funds, Seattle Foundation maintains various Area of Interest funds. An Area of Interest fund focuses on a particular cause such as civic leadership, environmental protection, or climate issues. Donors can contribute directly to an Area of Interest fund and Area of Interest funds may also receive funds through inter-fund transfers from other Area of Interest

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funds with aligned interest, as well as from interest from previously received gifts and bequests; principal plus interest from previously received gifts and bequests; and distributions from established donor advised fund accounts. Each Area of Interest fund is accounted for separately to ensure money within each fund is being used for its designated purpose (e.g., supporting arts education). Seattle Foundation decides when and how to spend money in support of that Area of Interest fund's particular cause. Although not a primary purpose of Area of Interest funds, on occasion, those expenditures include contributions to political committees.

The PDC and Attorney General have previously analyzed political committee formation questions by focusing on the purpose and activities of a particular fund involved in receiving a contribution or making an expenditure, rather than of the overall organization. *See, e.g., State v. Grocery Manufacturers Association*, 195 Wn.2d 442 (2020) (State contended that GMA's Defense of Brand fund was a political committee). We assume the PDC will take a consistent approach with incidental committees and focus on the individual funds at issue, particularly given the structure of an organization such as Seattle Foundation which manages distinct funds. With that in mind, it is important to recognize that the contributions mentioned in Mr. Sharkansky's complaint came from three different Area of Interest funds.

In 2019, the Climate Justice Area of Interest fund contributed \$50,000 to Keep Washington Rolling. The Climate Justice Area of Interest fund received only \$265 in new donations during 2019, with the remainder of the fund coming from interfund transfers of \$254,250 from funds which were created before 2019 with gifts that were not designated or earmarked for political contributions. Similarly, the Catalyzing Community Impact fund contributed \$50,000 to the Washington Fairness Coalition in 2019 and received only \$5 in new donations in 2019 with the remainder of funding, \$147,000, coming from interfund transfers of gifts received in previous years that were not designated or earmarked for any political contributions. In 2020, the Civic Leadership Area of Interest fund contributed \$50,000 to Yes for Transit 2020. The Civic Leadership Area of Interest fund was created in 2017 and received most of its funding in 2017-2020. In 2020, it did receive one gift in excess of \$10,000 months after it made the contribution to Yes for Transit 2020.

RCW 42.17A.207 requires registration and reporting only if the incidental committee is required under RCW 42.17A.240(d)(2) to disclose a payment of more than \$10,000 received by the incidental committee from any single person during the same calendar year. Neither of the Area of Interest funds making the 2019 expenditures meets the criteria triggering registration and reporting as an incidental committee in 2019.

As for 2020, the Civic Leadership Area of Interest fund did receive one gift in excess of \$10,000 but that gift was not made for the purpose of facilitating the \$50,000 contribution made to Yes for Transit 2020. Indeed, the contribution to Yes for Transit 2020 was made in October of 2020 but the individual gift was not made to Seattle Foundation's Civic Leadership Area of Interest Fund until December 31, 2020. Moreover, the gift received was for only \$25,000—only half of

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the amount the Civic Leadership Area of Interest fund had contributed months earlier to Yes for Transit 2020. At the time of the contribution to Yes for Transit 2020, the Civic Leadership Area of Interest fund had other pre-existing funds accumulated since its inception in 2017 which served as the source of the contribution to Yes for Transit 2020. It is difficult to see any public interest advanced in requiring registration and reporting under those circumstances, but Seattle Foundation is willing to do so if the PDC believes it is necessary.

We would also note that much of the information required on the PDC's C1 is already readily available to the public on Seattle Foundation's IRS Form 990. For example, Seattle Foundation's annual information return to the IRS identifies all of its Board members and officers and, if applicable, includes a Schedule C for reporting lobbying activities and a Schedule R to identify affiliated organizations.

We are also mindful that the United States Supreme Court recently held facially unconstitutional a California statute requiring charitable organizations to disclose their donors to the California Attorney General. *See Americans for Prosperity Foundation v. Bonta*, 141 S. Ct. 2372 (2021). Even though the California statute contemplated a confidential filing of donor information, the Supreme Court recognized that such a compelled disclosure created an unnecessary risk of chilling First Amendment rights and was not narrowly tailored to an important government interest. Unlike in the California case, the funds at issue here were already publicly reported—by the recipients in their PDC filings—raising further doubts about the constitutionality of imposing additional disclosure burdens on charitable organizations. In light of the Supreme Court's decision, we are unsure whether the PDC believes Washington's incidental committee requirement is constitutional. Please let us know if the PDC still expects charitable organizations to disclose donor information publicly, even if the donors were not contributing for purposes of making political expenditures and the recipient political committees have already publicly reported receipt of the contributions.

Again, Seattle Foundation's goal is to comply with any lawful disclosure obligations. The disclosure obligation was new, and unfamiliar to Seattle Foundation, and this remains an evolving area of the law. But Seattle Foundation believes the 2019 activity is plainly outside of the registration and reporting requirements and that the information disclosed in this letter highlights the lack of public interest in registering and reporting the 2020 activity. Nevertheless, if the PDC believes it should register and report the limited Civic Leadership Area of Interest



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fund 2020 activities, it is willing to do so. Please let us know the PDC's view as to whether the information in this letter sufficiently addresses the issues.

Sincerely,

Davis Wright Tremaine LLP

A handwritten signature in blue ink that reads "Robert J. Maguire". The signature is written in a cursive, flowing style.

Robert J. Maguire

cc: Alyssa Farber, Seattle Foundation

**Seattle Foundation: PDC Case 92059**  
**August 10, 2021: Email response from Rob Maguire (Copied from Freshdesk)**

You indicated in the Seattle Foundation response that “Each area of Interest fund is accounted for separately.”

- Does each area of interest fund have a separate account, UBI or tax identification number?

**No. The funds are all owned by Seattle Foundation.**

- If no, are the area of interest funds receipts and disbursements tracked separately using an internal accounting practice or procedure?

**Yes. Each Area of Interest Fund is tracked separately in Seattle Foundation's accounting system. All related activity is recorded to that Area of Interest Fund.**

- Please describe the practices or procedures used for tracking receipts and disbursements for the Climate Justice Area of Interest fund, Catalyzing Community Impact fund, and Civic Leadership Area of Interest fund.

**Grant disbursements made by all Area of Interest Funds are tracked by Seattle Foundation's accounting system. All gifts are tracked through accounting systems, both from resources that come from within the Foundation (through interfund transfers) and gifts from individuals outside the Foundation.**

In the Seattle Foundation response, you made a number of references to interfund transfers. Concerning the Seattle Foundation interfund transfers:

- Please describe what interfund transfers are?

**Interfund transfers are internal transfers of money between two funds held at Seattle Foundation for administrative purposes. For each interfund transfer, there are two distinct transactions: monies granted from one Fund and monies received into another Fund.**

- Do interfund transfers include gifts, grants, and donations? What else would they include?

**Only gifts and grants. Donations are not included in interfund transfers. By way of example, if Person X leaves funds to Seattle Foundation as part of her estate planning, she may specify that she would like those funds to be used for a general purpose such as supporting public education in Seattle. If Seattle Foundation has an Area of Interest Fund with a purpose aligned with supporting public education in Seattle, an interfund transfer may occur to transfer money from the funds left to Seattle Foundation by Person X into the aligned Area of Interest Fund.**

- Are interfund transfers earmarked for a specific purpose?

**Each Area of Interest Fund can only make grants to support a specific area of interest. For example, the Climate Justice Impact Strategy Area of Interest Fund can only make grants to efforts that are aligned to climate justice. But Area of Interest Funds are not earmarked for a specific purpose or recipient. Importantly, no donor can provide guidance or direction on spending from an Area of Interest Fund. Therefore, it is not possible for interfund transfers to serve as a conduit for a donor to direct money to a particular recipient (whether a political committee or other type of recipient).**

- Who from the Seattle Foundation makes decisions concerning how and when interfund transfers occur?

**Interfund transfers from Area of Interest Funds are approved by the full Board of Trustees as part of a consent agenda at their first meeting of the year in March. The transfers are made in the week following the board meeting.**

- How often do interfund transfers occur?

Interfund transfers from Area of Interest Funds happen annually.

- Do interfund transfers happen for all area of interest funds?

Yes.

- Do interfund transfers happen/occur for all 1,200 funds managed by the Seattle Foundation?

It is possible for any of Seattle Foundation's Funds to make an interfund transfer. Approximately 29% of Seattle Foundation's Funds make interfund transfers in a given year.

Concerning the Climate Justice Area of Interest fund, Catalyzing Community Impact fund, and Civic Leadership Area of Interest funds: Describe the expenditures/disbursements made from the Climate Justice Area of Interest fund and Catalyzing Community Impact fund during CY 2019.

In 2019, the Climate Justice Impact Strategy Area of Interest Fund disbursed \$610,000 through a total of 14 grants. One grant was made to Keep Washington Rolling Campaign, the other 13 grants were made to King County based community nonprofits leading climate justice programming, community organizing and research efforts.

In 2019, the Catalyzing Community Impact Strategy Fund disbursed a total of \$50,750. One grant of \$50,000 was made to the Washington Fairness Coalition, and another three grants of \$250 were made to organizations who partnered on educating donors about the 2020 Census.

Describe the expenditures/disbursements made from the Civic Leadership Area of Interest fund during CY 2020.

In 2020, the Civic Leadership Area of Interest fund dispersed a total of \$58,000. One \$50,000 grant was made to Yes on Transit 2020, and another grant of \$8,000 was made to Byrd Barr Place to support research on Black-led organizations.

- Who made the decision to make the \$50,000 to Keep Washington Rolling contribution from the Climate Justice Area of Interest fund in CY 2019?

The Executive Committee is authorized to make decisions on behalf of the board in between the quarterly board meetings. Recommendations for investment are made by staff, the Executive Committee of the Board approved recommendations, and the full board reviewed the recommendations in consent agenda.

- Who made the decision to make the \$50,000 contribution to the Washington Fairness Coalition in CY 2019 from the Catalyzing Community Impact fund in CY 2019?

The Executive Committee is authorized to make decisions on behalf of the board in between the quarterly board meetings. Recommendations for investment are made by staff, the Executive Committee of the Board approved recommendations, and the full board reviewed the recommendations in consent agenda.

- Who made the decision to make the \$50,000 contribution to the Yes for Transit 2020 in CY 2020 from the Civic Leadership Area of Interest fund in CY 2020?

The Executive Committee is authorized to make decisions on behalf of the board in between the quarterly board meetings. Recommendations for investment are made by staff, the Executive Committee of the Board approved recommendations, and the full board reviewed the recommendations in consent agenda.

PDC staff believes that based on the facts listed in your response, the Civic Leadership Area of Interest fund was likely an incidental committee for calendar year 2020. In the response on behalf of the Seattle Foundation, you indicated a willingness to register and report as an incidental committee for 2020.

- Is the Seattle Foundation willing to register and file as an incidental committee for calendar year 2020?

If the PDC believes it should do so, Seattle Foundation is willing to register the Civic Leadership Area of Interest fund as an incidental committee for calendar year 2020 although the \$25,000 gift received by the Civic Leadership Fund in 2020 came after the \$50,000 political contribution was made and had nothing to do with that already-made contribution. We do not think the Seattle Foundation as a whole should register as an incidental committee but we are interested in understanding if the PDC has a different view and the reason for that view.

- If yes, can you estimate when those filings may occur?

We are unclear whether the PDC staff is asking how long it will take to register and report the Civic Leadership Area of Interest Fund as an incidental committee for 2020 or if the PDC staff is suggesting all of Seattle Foundation must register and report. Please clarify.

September 27, 2021

Kurt Young  
Compliance Officer  
Washington Public Disclosure Commission  
711 Capital Way S., Suite 206  
Olympia, WA 98501

Re: Seattle Foundation – PDC Case Number 92059

Dear Mr. Young:

As requested by PDC staff, we are providing additional information from Seattle Foundation in response to the complaint filed by Stefan Sharkansky alleging violation of RCW 42.17A.207. We recognize that Seattle Foundation, as a charitable organization, is unlike other entities the PDC typically encounters. To assist staff, we are providing more information concerning the nature of Seattle Foundation; the categories of funds administered by Seattle Foundation and the limitations on their use; and the decision to contribute \$50,000 in 2020 from the Civic Leadership Fund to Yes for Transit 2020.

Seattle Foundation is a 501(c)(3) nonprofit community foundation founded in 1946.<sup>1</sup> It is a public charity which receives gifts ranging in size from individuals, families, businesses, and other groups. Seattle Foundation's mission is to foster powerful and rewarding philanthropy to make King County a stronger, more vibrant community for all. It pursues that mission through a variety of grantmaking mechanisms, including grantmaking from unrestricted funds, advised funds, designated funds, area of interest funds, scholarship funds, and supporting organizations. It transparently publishes its financial activities by providing audited consolidated financial statements and IRS Form 990s on its website at: [Annual Reports and 990s \(seattlefoundation.org\)](https://seattlefoundation.org/annual-reports-and-990s). We set forth below descriptions of the permissible and impermissible use of funds and supplement our previous response with additional detail concerning the different types of funds administered by Seattle Foundation. By providing this information, we intend to address any PDC staff considerations regarding the source of the political contributions at issue.

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<sup>1</sup> A copy of Seattle Foundation's currently operative Amended Articles of Incorporation are attached as Exhibit A to this letter.

**A. Donor Limitations: Permissible Restrictions v. Impermissible Earmarking**

A donor to Seattle Foundation can, at the time of the gift, impose certain restrictions on Seattle Foundation's use of the gifted funds. Broadly speaking, these restrictions fall into two categories: (i) spending or (ii) use. Spending restrictions limit when funds may be spent e.g., such as a direction to maintain funds as an endowment. Use restrictions limit the purposes for which Seattle Foundation may spend the funds e.g., a restriction requiring use of the funds to support environmental causes. *See*, e.g., RCW 24.55.010(2) (defining an endowment fund as "an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis"); RCW 24.55.025 (providing standards for expenditure or accumulation of endowment funds); RCW 24.55.045 (providing standards by which a donor-imposed restriction on the management, investment, or purpose of a gift may be released or modified). Spending and use restrictions are consistent with federal law allowing for charitable contribution deductions.

In contrast, a donor may not earmark a gift to require Seattle Foundation to distribute the funds to a particular individual or organization. A donor's gift to Seattle Foundation is a charitable deduction and, as such, it must be a completed gift. Seattle Foundation must, as a 501(c)(3) organization, exercise dominion and control over all of its assets to ensure that they are used in furtherance of its exempt purposes. Thus, even if a donor were to indicate a preference for how funds were used, any such preference would be subject to Seattle Foundation's variance power as set forth in its Articles of Incorporation, Article VII(a)(i).

To illustrate, in Revenue Ruling 63-252, 1963-2 C.B. 101, the IRS addressed the concept of earmarking when evaluating the deductibility of contributions to a domestic charity thereafter transmitted to a foreign charitable organization. The IRS explained that "it seems clear that the requirements of section 170(c)(2)(A) of the Code [the Code provision authorizing a charitable contribution deduction] would be nullified if contributions inevitable [*sic*] committed to go a foreign organization were held to be deductible solely because, in the course of transmittal to the foreign organization, they came to rest momentarily in a qualifying domestic organization. In such case the domestic organization is only nominally the donee; the real donee is the ultimate foreign recipient." The IRS further explained that a contribution to a domestic organization was, however, deductible where it will "not be earmarked in any manner, and use of such contributions will be subject to control by the domestic organization." *See also* Rev. Rul. 66-79, 1966-1 C.B. 48 (holding that contributions to a charity which were solicited for a specific project of a foreign charitable organization were deductible where the domestic charity reviewed and approved the project as being in furtherance of its own exempt purposes and had discretion and control as to the use of the contributions); Rev. Rul. 62-113, C.B. 1962-2 C.B. 10 (holding that where gifts to an organization described in Code Section 170(c) are not earmarked by the donor for a particular individual, the deduction will be allowable where it is established that a gift is intended by the donor for the use of the organization and not as a gift to an individual for whose

benefit the amount given may be used by the donee organization; the test in each case is whether the organization has full control of the donated funds, and discretion as to their use, so as to insure that they will be used to carry out its functions and purposes); Rev. Rul. 83-104, 1983-2 C.B. 46 (the earmarking of a contribution to a private school for the direct benefit of a particular individuals is not a charitable contribution).

Gifts to Seattle Foundation are charitable deductions. Thus, donors may not require Seattle Foundation to distribute funds to particular recipients.

## **B. Principle Categories of Funds Administered by Seattle Foundation**

Seattle Foundation administers gifts by placing them in funds. Different categories of funds have different rules and requirements, and the vast majority of funds administered by Seattle Foundation are subject to restrictions that prevent using those funds as the source of contributions to political committees. Indeed, at year end 2020, over 82% of the number of funds held at Seattle Foundation have restrictions that would not allow those funds to contribute to political committees: 48% donor advised, 23% designated, 4% scholarships, and 8% specialized planned giving vehicles (gift annuities and trusts).

With this letter, we are providing Seattle Foundation's Policies and General Operating Guidelines (the "Operating Guidelines") which explain in detail the different categories of funds administered by Seattle Foundation.<sup>2</sup> We also provide below an overview of the principal categories of Seattle Foundation funds: (i) "Designated Funds;" (ii) "Area of Interest Funds;" (iii) "Advised Funds;" and (iv) "Unrestricted Funds." Only Area of Interest Funds and Unrestricted Funds may make contributions to political committees.

### **1. Designated Funds**

A Designated Fund is a fund established to benefit an identified public charity, *i.e.*, an exempt organization described in Internal Revenue Code ("Code") Section 501(c)(3) and further classified as a non-private foundation under Code Section 509(a)(1), 509(a)(2), or 509(a)(3).<sup>3</sup> Political committees are not among the organizations specified in those Code sections. Thus, Designated Funds may not contribute to political committees.

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<sup>2</sup> The Operating Guidelines have been marked as Exhibit B.

<sup>3</sup> United Way of King County Administrative Endowment Fund is a good example of a Designated Fund created to benefit an identified public charity. This fund was created by Seattle Foundation donors to support United Way of King County operations. Seattle Foundation provides grants to United Way of King County annually in accordance with the Seattle Foundation's spending policy which sets the rate of distribution. The fund value was in excess of \$140 million at year end 2020.

## **2. Advised Funds**

An Advised Fund is a fund for which the donor or their designee may make recommendations periodically regarding distributions for specific charitable purposes or to one or more charitable organizations.<sup>4</sup> When a donor or their designee (often referred to for these purposes as an “advisor”) has advisory privileges, the Advised Fund will typically come within the Code Section 4966’s definition of a “donor advised fund” or “DAF” (these funds are referred to as “Statutory Donor Advised Funds” in Seattle Foundation’s Operating Guidelines).<sup>5</sup> Classification as a DAF is significant because the federal tax law imposes a number of additional restrictions on the permissible use of DAF funds to ensure they are used only for charitable purposes.

In particular, Seattle Foundation may not distribute funds from a DAF to an organization other than a public charity or governmental entity without exercising “expenditure responsibility,” a statutorily defined procedure designed to ensure that the distributed funds are used only for charitable purposes. *See, e.g.* Code Section 4966(c) (indicating that a distribution from a DAF will be a “taxable distribution” subject to penalty excise taxes if the distribution is made to a natural person or to an organization other than a public charity or governmental entity without exercising expenditure responsibility). Given the administrative burden involved in exercising expenditure responsibility, Seattle Foundation rarely makes distributions from a DAF that require expenditure responsibility to avoid treatment as taxable expenditures.

Given the limitations on permissible DAF distributions, Seattle Foundation could not distribute funds from a DAF to a political committee. Distributions from a non-DAF Advised Fund to a political committee are similarly not permissible because such an Advised Fund must either benefit a single identified public charity or governmental entity or be a qualifying scholarship fund.

## **3. Area of Interest Funds**

An Area of Interest Fund is a fund established to benefit specific charitable purposes, geographic regions, and/or types of charities. When a donor makes a gift to Seattle Foundation other than for Advised Funds as discussed above, the donor completes Seattle Foundation’s

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<sup>4</sup> A copy of Seattle Foundation’s Donor Advised Fund (“DAF”) intake form is enclosed as Exhibit C. The intake form includes the terms applicable to Donor Advised Funds expressly noting that (a) recommendations as to use of the funds are advisory only and (b) funds will only be distributed to grant recipients to ensure they are organized and operated for charitable purposes typically as described in Section 170(b)(1)(A) of the Internal Revenue Code.

<sup>5</sup> Code Section 4966(d)(2)(B) provides two exceptions to this rule for: (i) funds that makes distribution only to a single identified public charity or government entity; and (ii) certain scholarship funds



intake form.<sup>6</sup> The intake form allows donors the option of creating an Area of Interest Fund. In so doing, the donor may indicate the interest areas or geographic areas the donor wishes to support: Arts & Culture; Basic Needs; Economy; Education; Environment; Global; Health & Wellness; Vibrant Communities; or another area of interest. Although the donor may indicate the areas of interest, the intake form makes plain that when a donor establishes an Area of Interest Fund “you leave decisions about the use of your gift to Seattle Foundation, relying on Seattle Foundation’s extensive experience and reach with the community to know which needs are most pressing within your stated interest area(s).” Accordingly, donors may not direct the funds to any particular recipient only indicate broad areas of interest.

After a donor has indicated their areas of interest, funds may be disbursed from their Area of Interest Fund directly to organizations supporting those areas. Where there are not already established charitable recipients for direct disbursements, funds may instead be transferred internally to a pooled account which is then allocated to Area of Interest Funds with aligned purposes (e.g., to the Climate Justice Fund). Funds are transferred via an inter-fund transfer process recognizing that donor gifts were completed at the time of the donation. Decisions are then made, consistent with Seattle Foundation’s Operating Guidelines, as to disbursements from the Area of Interest Fund to an external recipient.

Unlike Designated Funds and Advised Funds, Area of Interest Funds can make a contribution to a political committee. The contribution must, however, be aligned with the purpose of the specific Area of Interest Fund. Thus, for example, funds from the Climate Justice Area of Interest Fund could not be used as a contribution to a political committee supporting or opposing an education focused initiative.<sup>7</sup>

#### **4. Unrestricted Funds**

Seattle Foundation receives some donations that are not subject to restrictions. Those funds are a relatively small percentage of donations received by Seattle Foundation. Unrestricted Funds are distributed in accordance with the standards and criteria set forth in Section III of the Operating Guidelines. Those criteria prioritize certain community charitable needs in Washington, and specifically in King County. Grants from Unrestricted Funds will only be made if consistent with Seattle Foundation’s exempt purposes, and no grant shall be made to satisfy a legally enforceable pledge or other obligation of or on behalf of a donor or any other

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<sup>6</sup> A copy of Seattle Foundation’s intake form allowing donors to establish an Area of Interest Fund is attached as Exhibit D.

<sup>7</sup> Although not at issue here, as a 501(c)(3) organization, Seattle Foundation is prohibited by federal tax law from intervening in political campaigns on behalf of or in opposition to any candidate for public office. This prohibition is codified in its Articles of Incorporation at Article II(c) (providing in relevant part that “the Foundation shall not participate in, or intervene in (including the publication of distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office”). Exhibit A at p. 2.

individual. The Operating Guidelines specifically note, as required by federal tax law, that grant funds may not be used to participate in any candidate campaign and that no substantial part of total grants will be used to influence legislation.

## **5. Variance Power**

An important characteristic of any fund maintained by Seattle Foundation is that Seattle Foundation retains ultimate discretion and control over how the funds are used, subject to the legal limitations described above. For example, the “Fund Terms & Conditions” included in the fund intake forms explain, under the heading “Restrictions on Grants from Funds,” that “Distributions from funds established at the Foundation will be made only if they are consistent with the Foundation’s charitable purposes and satisfy community needs identified by the Foundation as deserving of its support.” Exhibits C & D.

In addition, under the “Variance Power” heading of the Fund Terms & Conditions, Seattle Foundation explains that “All donor funds established at the Foundation are subject to the Foundation’s ‘variance power,’ as set forth in Article VII(A)(i) of its Articles of Incorporation. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community.” Exhibits C & D.

### **C. 2020 Civic Leadership Area of Interest Fund Contribution to Yes on Transit 2020**

We understand the PDC is specifically interested in more information concerning the decision for the Civic Leadership Area of Interest Fund (Civic Leadership Fund) to contribute \$50,000 in 2020 to Yes on Transit 2020. We explain below the nature of the Civic Leadership Fund and the decision to contribute to Yes on Transit 2020 and provide supporting documentation.

The Civic Leadership Fund is an impact fund intended to support activities of civic leadership. See <https://www.seattlefoundation.org/blueprint-for-impact/community-investment-portfolio/civic-leadership-fund> or [Civic Leadership Fund \(seattlefoundation.org\)](https://www.seattlefoundation.org/civic-leadership-fund). Civic leadership includes furthering community-led research, investing in cross-sector collaborations that lift up opportunities for marginalized communities, and elevating the foundation’s civic voice tied to our Impact Strategies and Blueprint for Impact. The Civic Leadership Fund serves as the source for supporting this broad range of work to invest in diverse equitable partnerships.

Gifts for Civic Leadership Fund come through the Seattle Foundation [online giving portal](#), employee giving campaigns, individual donations, grants from Seattle Foundation DAF

holders, and interest from Area of Interest and/or Seattle Foundation Community Grant Making funds. As discussed above, the Civic Leadership Fund receives some of those funds directly and some are received from inter-fund transfers originating from other existing Area of Interest Funds and/or Community Grantmaking Funds (which are Unrestricted Funds) when there are not already established charitable recipients for those funds.

Decisions regarding expenditures from the Civic Leadership Fund are made subject to the requirements of the Operating Guidelines. The Executive Committee must approve any endorsement of or support of a ballot measure.

On September 30, 2020, Seattle Foundation staff prepared a memo to Seattle Foundation's CEO concerning Fall 2020 Ballot Initiatives, including Yes for Transit Proposition 1.<sup>8</sup> The Executive Committee reviewed this request and approved the gift following a robust dialogue about the nature and purpose of the request. The Executive Committee's meeting minutes for October 15, 2020 reflect the discussion and approval.<sup>9</sup> The next day, on October 16, 2020, funds were contributed from the Civic Leadership Fund to Yes for Transit 2020 Campaign.

Funds for the \$50,000 contribution came from the existing balance in the Civic Leadership Fund. The balance in this fund represents the accumulation of donations from previous periods, plus contributions directly to the Civic Leadership Fund in 2020. No gift of \$10,000 was received by the Civic Leadership Fund in 2020 prior to making the contribution to Yes for Transit. More specifically, in 2020 prior to October 16, 2020, the Civic Leadership Fund received gifts from the following:

<b>Total contributions to Civic Leadership Fund in 2020 prior to October 16, 2020</b>			
	<b>Amount</b>	<b>#</b>	<b>Average</b>
<i>Start balance 1/1/2020</i>	<i>\$392,449.46</i>		
From SeaFdn website	\$31,728.50	86	\$369
DAF Grant transfers	\$4,000.00	2	\$2000
Employee Giving Programs	\$1,150.00	4	\$288
Corp Gift	\$1,000.00	1	\$1,000
<b>Subtotal</b>	<b>\$37,878.50</b>		
Individual Gift Received December 31	\$25,000.00	1	\$25,000

<sup>8</sup> A copy of the September 30, 2020 memorandum is attached as Exhibit E. The memo erroneously refers to the Climate Justice Fund rather than the Civic Leadership Fund. This was a drafting error in the memorandum as the funds being discussed were part of the Civic Leadership Fund's budget.

<sup>9</sup> The Executive Committee's October 15, 2020 meeting minutes are attached as Exhibit F.

## D. Conclusion

At most, the Civic Leadership Area of Interest Fund, rather than the entire Seattle Foundation, should register and report as an incidental committee. If the purpose of the incidental committee reporting requirement is to publicly disclose the source of funds used for political contributions, then the only relevant disclosure is of the source of Civic Leadership Area of Interest Funds (which is set forth above). Indeed, disclosure of the overall top ten donors to Seattle Foundation would be misleading as none of those donations was to the Civic Leadership Area of Interest Fund—and forcing disclosure of donors making major charitable gifts unconnected to any political activity will chill charitable giving and harm the public interest.<sup>10</sup>

As previously explained, the vast majority of funds administered by Seattle Foundation cannot contribute to political committees and are used for charitable purposes. For further context, the top ten contributions (anonymized) to Seattle Foundation in 2020 are below. They were substantially larger than the Civic Leadership Area of Interest Fund and were not transferred to or otherwise used by the Civic Leadership Area of Interest Fund.<sup>11</sup>

	Donor Type	Fund Type	Fund	Amount in 2020
1	Individual	Area of Interest Donor	All in Washington	16,345,059
2	Trust	Advised Donor	Named DAF	10,218,669
3	Estate	Advised Donor	Named DAF	10,000,000
4	Individual Private	Advised Area of Interest	Named DAF	7,374,071
5	Foundation Public	Area of Interest	Multiple, not Civic leadership	7,307,330
6	Charity	Area of Interest Donor	COVID-19 Response Fund	6,295,600
7	Individual	Advised	Named DAF	5,000,000

<sup>10</sup> Some charitable donors prefer to remain anonymous. Seattle Foundation, as a public charity, reports the names of its donors to the IRS on an annual basis by completing Schedule B to IRS Form 990, but those names are not subject to public disclosure. See Code Section 6104(b); Treasury Regulation 301.6104(d)-1(b)(4)(ii) (indicating that the otherwise applicable public disclosure requirements do not extend to the name and address of any contributor to the organization unless it is a private foundation defined in Code Section 509(a) or Code Section 527 political organization).

<sup>11</sup> This list aligns with Form 990 reporting but is preliminary based on an effort to quickly provide PDC staff with information.

Kurt Young  
September 27, 2021  
Page 9

8	Private Company	Area of Interest Admin	All in Washington	5,613,500
9	Estate Public	Fund Area of	Unrestricted Charitable Gift	5,379,080
10	Charity	Interest	COVID-19 Response Fund	5,131,200

The list of Seattle Foundation's top ten contributors has nothing to do with the political contribution at issue. The Civic Leadership Area of Interest Fund was the source of the political contribution and any reporting obligations should be limited to the Civic Leadership Area of Interest Fund.

Seattle Foundation hopes that the information provided makes plain that funds within Seattle Foundation are administered separately and are subject to different legal restrictions on their use which make the vast majority of them unavailable to make political contributions. Political contributions are rare and may only come from Area of Interest Funds and Unrestricted Funds, and Seattle Foundation's top ten contributions have no connection to the political contribution at issue. Thus, we hope that the PDC will recognize that any registration and reporting requirement concerning the contribution to Yes for Transit 2020 should be limited to the Civic Leadership Area of Interest Fund to avoid sweeping in funds that have nothing to do with—and cannot be used for—political activities.

Seattle Foundation has endeavored to be transparent and responsive to PDC staff questions, recognizing these issues and Seattle Foundation's structure is complex. We hope this information is helpful and remain willing to have further discussion or to respond to additional requests for information helpful to PDC staff.

Sincerely,

Davis Wright Tremaine LLP



Robert J. Maguire

cc: Josephine Wong, Seattle Foundation

# Exhibit A

FILED  
SECRETARY OF STATE

December 9, 2015

STATE OF WASHINGTON

ARTICLES OF RESTATEMENT  
OF  
ARTICLES OF INCORPORATION  
OF  
SEATTLE FOUNDATION  
(As Amended to December 9, 2015)

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The undersigned, acting pursuant to the provisions of RCW 24.03.183 of the Washington Nonprofit Corporation Act, hereby adopts the following Restated Articles of Incorporation:

**FIRST**

The name of this corporation shall be SEATTLE FOUNDATION. The duration of this corporation shall be perpetual.

**SECOND**

The purposes for which this corporation is formed are to operate exclusively for charitable or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, including, but not limited to:

- (a) To receive, invest and administer funds and other properties and to use them and the income and increment thereof for eleemosynary, charitable, educational or philanthropic purposes and for the support of other charitable endeavors of like character and purpose.
- (b) To cooperate with and aid other corporations, societies or associations organized and conducted for cognate purposes, to the end of promoting the mental, moral, physical and social improvement of those who may be benefited thereby, without discrimination as to age, sex, color or religious inclination; to receive, hold, administer and disburse any moneys, securities, or other property, which may be transferred to this corporation, by gift, devise, bequest or otherwise, for any of the uses or purposes above set forth and to invest, conserve, use and disburse such moneys, securities, or other property, and the income derived therefrom, for the uses and purposes herein specified in accordance with the judgment and discretion of the trustees of Seattle Foundation (the "Foundation").
- (c) To make expenditures and appropriations of funds of the Foundation for the foregoing purposes in the State of Washington and elsewhere. When a donor directs in his or her instrument of transfer that an expenditure or appropriation be made to an organization located outside the state and described in Section 509(a)(1), (2), or (3) of the Code, such expenditure or appropriation may be made, provided that any expenditure or allocation shall be subject to the powers set forth in Article SEVENTH (a)(i). No expenditure or allocation out of state shall be made if (i) contrary to law, or (ii) the allocation would impose a tax liability upon the Foundation or the donor. No substantial part of the activities or

expenditures of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation except as may be permitted to Section 501(c)(3) organizations by the Code, and the Foundation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

### **THIRD**

The city in which this corporation shall be located is Seattle, King County, Washington.

### **FOURTH**

This corporation is not organized for profit; there shall be no capital stock; and the income shall not inure in whole or in part to the benefit of any private individual.

### **FIFTH**

The corporation shall have no voting members within the meaning of RCW 24.03.065, or any successor provision.

### **SIXTH**

The management and administration of the affairs of this corporation shall be by a Board of Trustees, consisting of not less than twenty (20) trustees. The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of trustees shall be such as are prescribed by the Bylaws of the corporation.

The following individuals who subscribed to the original Agreement of Association executed on April 16, 1946, constituted the first trustees of the Foundation:

Paul P. Ashley	George H. Greenwood
Frank S. Bayley	Henry H. Judson
Leo S. Black	Richard E. Lang
Mrs. A. Scott Bullitt	Reginald H. Parsons
Kenneth B. Colman	Nat S. Rogers
George K. Comstock	Deitrich Schmitz
George Donworth	Mrs. Thomas D. Stimson
Richard E. Fuller	

### **SEVENTH**

(a) Without in any way hereby limiting the powers of this corporation or of the Board of Trustees hereof, the Board of Trustees shall specifically have the following powers:



- (i) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board of Trustees (without the necessity of approval of any participating trustee, custodian, or agent holding assets of the Foundation) such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.
- (ii) To replace any participating trustee, agent, or custodian holding assets of the Foundation for breach of fiduciary duty under Washington law.
- (iii) To replace any participating trustee, agent, or custodian holding assets of the Foundation for failure to produce over a reasonable period of time (as determined by the Board of Trustees) return of net income (or appreciation when not inconsistent with the Foundation's need for current income), with due regard to safety of principal.
- (iv) To serve as a trustee, within the meaning of RCW 11.36.021(c), of any inter vivos or testamentary trust in which the Foundation has a beneficial interest, whether vested or contingent.

The Board of Trustees shall exercise such powers in the best interests of the Foundation and its exempt purposes.

- (b) In applying the power described in subparagraph (iii) of (a) of this Article, the determination whether there is a reasonable return of net income (or appreciation when not inconsistent with the Foundation's need for current income), shall be made as follows:
  - (i) There shall be excluded from such determination those assets held for the active conduct of the Foundation's exempt activities, and
  - (ii) Such determination shall be made separately with respect to each restricted fund and shall be made in the aggregate with respect to unrestricted funds of the Foundation.

A "restricted fund" means a fund, any income of which has been designated by the donor of the gift or bequest as being available only for the use or benefit of a named charitable organization or agency or for the use or benefit of a particular class of charitable organizations or agencies, the members of which are readily ascertainable and are less than five in number.

## EIGHTH

No trustee of the corporation shall receive compensation for his or her services to the corporation.

## NINTH

The Articles of Incorporation and Bylaws of the Foundation may be amended, altered or repealed by the Board of Trustees upon receiving the vote of a majority of the trustees in office. The notice of such meeting, whether regular or special, shall set forth the proposed amendments or a summary of the changes to the Articles or Bylaws to be effected thereby.

## TENTH

A trustee shall have no liability to the corporation for monetary damages for conduct as a trustee, except for acts or omissions that involve intentional misconduct by the trustee, or a knowing violation of law by the trustee, or for any transaction from which the trustee will personally receive a benefit in money, property or services to which the trustee is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of trustees, then the liability of a trustee shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a trustee of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such trustee occurring prior to such repeal or modification.

## ELEVENTH

1. Right to Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a trustee or officer of the corporation or, while a trustee or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 2 of this Article with respect to proceedings seeking solely to enforce rights to indemnification, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Trustees of the corporation. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only

upon delivery to the corporation of an undertaking, by or on behalf of such trustee or officer, to repay all amounts so advanced if it shall ultimately be determined that such trustee or officer is not entitled to be indemnified under this Section 1 or otherwise.

2. Right of Claimant to Bring Suit. If a claim for which indemnification is required under Section 1 of this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the corporation (including its Board of Trustees, independent legal counsel or its members, if any) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its Board of Trustees, independent legal counsel or its members, if any) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

3. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of members, if any, or disinterested trustees or otherwise.

4. Insurance, Contracts and Funding. The corporation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act, as applied to nonprofit corporations. The corporation may enter into contracts with any trustee or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

5. Indemnification of Employees and Agents of the Corporation. The corporation may, by action of its Board of Trustees from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of trustees and officers of the corporation or

pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

### CERTIFICATION

These Restated Articles of Incorporation correctly set forth without change the provisions of the Articles of Incorporation as heretofore amended by the Articles of Amendment. These Restated Articles of Incorporation supersede the original Agreement of Association and Articles of Incorporation and all amendments thereto.

Executed under penalty of perjury under the laws of the State of Washington, this 9th day of December, 2015.

Seattle Foundation

By Jeanette Lodwig

Jeanette Lodwig  
Its SECRETARY

# Exhibit B

# SEATTLE FOUNDATION

## POLICIES AND GENERAL OPERATING GUIDELINES

(Adopted: May 20, 2019)

Seattle Foundation (or the “Foundation”) is a community foundation organized and operated to receive and distribute funds in the State of Washington and elsewhere for charitable purposes. As a community foundation it is a union of many gifts, small and large from numerous sources - individuals, families, corporations and other groups. The mission of Seattle Foundation is to foster powerful and rewarding philanthropy to make King County a stronger, more vibrant community for all. The Seattle Foundation is dedicated to strengthening the greater King County area through a variety of grantmaking mechanisms, including grantmaking from unrestricted funds, advised funds, designated funds, area of interest funds, scholarship funds and supporting organizations.

Seattle Foundation makes grants to support various organizations or activities that contribute to a healthy community in the Foundation’s geographical area. Seattle Foundation recognizes, however, that statewide agencies serve King County area residents, and that many local charities are affiliated with national organizations, grants to which are of direct benefit to the local community. Seattle Foundation further recognizes that King County residents are also members of a global community. As such, local residents are affected by and wish to actively address humanitarian and environmental conditions arising beyond the borders of their own state and nation. This acknowledgment, and Seattle Foundation’s concern for human needs, provides a basis for Seattle Foundation extending its charitable purposes beyond the Foundation’s immediate geographical service area when the charitable purposes served extend to local citizens or serve to strengthen philanthropic ties and humanitarian cooperation between King County and other communities with common goals.

### I. GRANTMAKING

#### A. Restricted Funds

##### 1. Designated Funds

Designated Funds are funds which the instrument of transfer requests or directs be used for named Section 509(a)(1), (2) or (3)<sup>1</sup> public charities. Designated Funds shall be distributed in accordance with such requests or directions, provided, however, that any such request or direction shall be subject to the Foundation’s variance power as set forth in the Articles of Incorporation, Article Seventh (a)(i).

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<sup>1</sup> All references to Sections, unless otherwise indicated, are to the Internal Revenue Code of 1986, as amended.

2. Area of Interest Funds

Area of Interest Funds are funds which the instrument of transfer requests or directs be used for a class of charities, a given geographic area within the State of Washington, or specific charitable purposes. Area of Interest Funds shall be distributed in accordance with such requests or directions, provided, however, that any such request or direction shall be subject to the Foundation's variance power as set forth in the Articles of Incorporation, Article Seventh (a)(i). Except as otherwise provided herein to the contrary, in analyzing any donor request or direction, the Board of Trustees shall employ the same standards and criteria set forth in Section III that it employs in evaluating solicited grants for distributions from its unrestricted funds.

3. Advised Funds

An Advised Fund is any fund to which the donor, in the gift instrument, has expressed the desire to make recommendations from time to time regarding distributions for specific charitable purposes or to one or more charitable organizations. A Statutory Donor Advised Fund (as that term is used in these Policies and Guidelines) is an Advised Fund that satisfies the statutory requirements set out in Section IV.B below. The Foundation accepts Advised Funds, including Statutory Donor Advised Funds, and welcomes the involvement and recommendations of its donors, but such recommendations are advisory only and are in no way binding upon the Foundation or the Board of Trustees. Accordingly, any donor recommendation shall be subject to the Foundation's variance power as set forth in the Articles of Incorporation, Article Seventh (a)(i). Except as otherwise provided herein to the contrary, in analyzing any donor recommendation, the Foundation shall employ the same standards and criteria set forth in Section III that it employs in evaluating solicited grants for distributions from its unrestricted funds. In addition, in evaluating any donor recommendation, the Foundation shall employ the special standards and criteria set forth in Section IV, applicable to Advised Funds.

B. Unrestricted Funds

Unrestricted funds shall generally be distributed in accordance with the standards and criteria set forth in Section III below.

C. Supporting Organizations

Supporting Organizations are nonprofit organizations qualified for Federal tax exemption under Section 501(c)(3) which are organized and operated to conduct activities exclusively for the benefit of or to carry out the purposes of Seattle Foundation. Seattle Foundation's Supporting Organizations are controlled by the Foundation (within the meaning of Treasury Regulation Section 1.509(a)-4(g)) in that a majority of the members of the governing body of any Supporting Organization are appointed by and serve as representatives of Seattle Foundation.

1. Affiliation and Control

Seattle Foundation serves as the Foundation corporate member of all Supporting Organizations with which it is affiliated. As the Foundation member of each Supporting Organization, the Foundation appoints a majority of each Supporting Organization's board members, and approves any amendments to the Supporting Organization's Articles and Bylaws. The Foundation generally exercises these powers through action by the individual whom it designates as its authorized representative. As a condition of the Foundation's continued affiliation, the Supporting Organization must:

- Adopt and comply with the Foundation's Supporting Organization Distribution Policy;
- Adopt and comply with the Foundation's Supporting Organization Conflict of Interest Policy;
- Obtain Foundation approval prior to making grants that are outside the Foundation's standard grantmaking practices as determined by the Foundation's President/CEO or his or her designee; and
- Obtain Foundation approval prior to making investment decisions that are outside of the Foundation's Investment Policy Statement ("IPS"), as determined by the Foundation's President/CEO or his or her designee.

2. Procedures for Supporting Organizations

The Foundation's President/CEO or his or her designee shall attend all Foundation Supporting Organization Board meetings and shall provide a report to the Foundation's Board of Trustees concerning the activities of all the Foundation's Supporting Organizations at each regular meeting of the Foundation's Board of Trustees. The Foundation's authorized representative with respect to any Supporting Organization or the Foundation's Board of Trustees (or a committee thereof) shall be responsible for approving: (1) any Supporting Organization grant that is outside the Foundation's standard grantmaking practices; and (2) any Supporting Organization investment decision that is outside of the Foundation's IPS. The President/CEO or his or her designee shall be responsible for referring such decisions to the Foundation's authorized representative, the Foundation's Board of Trustees, or a committee thereof.

## **II. ADMINISTRATION OF FUNDS**

Restricted and unrestricted funds of Seattle Foundation shall be invested in accordance with the Foundation's current IPS, as it may be amended from time to time. The Foundation's Supporting Organizations may indicate their wish that their assets be managed as part of the Foundation's Portfolio, in which case, such Supporting Organization's assets shall be invested as



part of the Portfolio and managed by TSF investment Managers in accordance with the Foundation's current IPS.

Assets managed in the Portfolio and by Outside Investment Managers are available for the Foundation's grantmaking pursuant to the Foundation's Articles of Incorporation, its Bylaws, and its current Spending Policy, as it may be amended from time to time.

The Board of Trustees shall have the power, in its sole discretion, to replace any current Manager or Outside Investment Manager for breach of fiduciary duty under state law, for failure to produce a reasonable total investment return over a reasonable period of time, as determined by the Board of Trustees, or if otherwise deemed advisable. In addition, the Board of Trustees shall have the power to replace any investment manager for failure to adhere to Seattle Foundation's IPS.

The Board of Trustees of Seattle Foundation is ultimately responsible for review of and control over the Foundation's investment functions. Initial review of the Foundation's investment functions shall be the responsibility of the Investment Committee of Seattle Foundation. The Investment Committee shall be responsible for reviewing, on a continuing basis, the Foundation's IPS and shall be responsible for recommending any changes therein to the Board. The Finance Committee shall be responsible for reviewing, on a continuing basis, the Foundation's Spending Policy and shall be responsible for recommending any changes therein to the Board.

### **III. GENERAL STANDARDS AND CRITERIA FOR SOLICITED GRANTS**

- A. Because the needs of the community exceed the Foundation's resources, the Foundation recognizes that policies need to be established for allocating its limited resources. Accordingly, in evaluating proposals for solicited grants for distributions from the Foundation's unrestricted funds, priority shall be given to supporting charitable programs and activities that meet the needs outlined herein. In all cases, grants shall be made in accordance with the laws applicable to community foundations and component funds as set forth in the Internal Revenue Code and the Treasury Regulations thereunder.
  - 1. Priority shall be accorded grants which meet specific charitable needs identified by the Board of Trustees as most deserving of the Foundation's support. Those needs currently identified by the Board of Trustees as most deserving are:
    - a. Basic Needs
    - b. Education
    - c. Arts and Culture
    - d. Health and Wellness
    - e. Neighborhoods and Communities
    - f. Environment
    - g. Economy
    - h. Nonprofit Sector Support
  - 2. Grants shall be made primarily in the State of Washington.

3. Priority shall be accorded grants that are designed to: (1) benefit residents of the King County area or (2) strengthen ties between King County and the other communities with common goals.
  4. The Foundation may take extraordinary circumstances into account which call for deviation from established standards and criteria to meet special community needs.
  5. In addition to being reactive to solicited grant proposals, the Foundation may assume an initiating role in addressing a community need when no existing mechanism is available or appropriate.
- B. In determining how to allocate the Foundation's limited resources, priority will be given to supporting charitable programs and activities of religious organizations where the grant to such religious organization falls within one of the specific charitable needs set forth in Section III.A.1. above, or within other charitable needs as identified by the Board of Trustees from time to time. Specifically with respect to solicited grants for distributions from the Foundation's unrestricted funds and its Area of Interest Funds only, it shall be the policy of Seattle Foundation to deny requests for grants solicited by any religious organization where the funds would be used in whole or in part to further the organization's religious purposes.
- C. Ordinarily, the Foundation will not make multi-year grant commitments.
- D. Projects of such importance as to require multi-year grant commitments shall be treated as though the entire grant request were made in one present grant application for purposes of determining funding feasibility.
- E. All potential grants shall be investigated and measured against the following special criteria, among others:
1. Is the requesting agency or project addressing an identified community need within the Healthy Community framework?
  2. Is the requesting agency using a methodology that makes sense and takes into account accepted or best practices in the field?
  3. Does the requesting agency have a long-range plan and does that plan outline clear priorities, specific outcomes, and measurements of success?
  4. How widespread will be the community benefits of a grant and to what extent are community members involved in the requesting agency's planning and operations?
  5. Can the requesting agency accomplish the stated purpose and is it experienced and knowledgeable about the issue they propose to address and the population they serve?

6. Is the requesting agency taking advantage of opportunities for coordination with other agencies or programs in order to avoid duplication?
  7. If the grant is for a new or experimental program, how will the requesting agency's funding be diversified in order to allow it to carry on after Foundation funding ends?
- F. Grants will be made only if consistent with the Foundation's exempt purposes, and no grant shall be made to satisfy a legally enforceable pledge or other obligation of or on behalf of a donor or any other individual, provided, however, that it shall be permissible for the Foundation to satisfy the tax liabilities under Chapter 42 of the Internal Revenue Code for any private foundation terminating its status as such pursuant to Treasury Regulation Section 1.507-2(a)(8)(iv)(c).
  - G. No substantial part of the Foundation's total grants will be used to carry on propaganda, or otherwise attempting to influence legislation.
  - H. No portion of the Foundation's grant funds will be used to participate in any political campaign on behalf of or in opposition to any candidate for public office.
  - I. In determining how to allocate the Foundation's limited unrestricted resources, priority will be given to supporting charitable programs and activities of organizations that evidence in their organizational documents and written policies that they do not discriminate on the basis of age, race, national origin, ethnicity, sex (including pregnancy), gender, gender identity, disability, sexual orientation, marital status, veteran or military status, political affiliation or religious belief. This Section III, I applies only to solicited grants for distributions from the Foundation's unrestricted funds.

#### **IV. ADDITIONAL STANDARDS AND CRITERIA APPLICABLE TO ADVISED FUNDS**

- A. Advised Funds. It is the Foundation's policy to apply the following standards and criteria to all Advised Funds:
  1. Because of the time and effort involved in investigating and evaluating a grant advised by a donor, advice for a distribution of less than \$500 will not normally be considered.
  2. A donor may indicate in the instrument of transfer that advice may be given from time to time by the donor or any other person appointed or designated by such donor (a "donor advisor").
  3. Advice will be considered only if offered in writing (including facsimile transmission or electronic correspondence) by the donor, donor advisor, or by a person authorized by a group of donor-designated advisors to offer such advice. Such written advice must also include a statement confirming that the advice will not result in any donor or donor advisor to the fund, any family member of such

persons, or any entity more than 35% owned by such persons receiving directly or indirectly, more than an incidental benefit.

4. The Foundation will not make distributions from any Advised Fund for the purpose of providing any grants, loans, compensation and similar payments to donors and donor advisors, their family members, or entities owned more than 35% by such persons.
5. Advice to distribute to a specific organization, a specific program, or for a specific need will be considered only if the Foundation distributes unrestricted funds to the same or similar types of organizations or charitable needs as those recommended by the donor.
6. In all cases, grants from Advised Funds will be made only if the grants comply with the laws applicable to community foundations and component funds as set forth in the Internal Revenue Code and the Treasury Regulations thereunder.

B. Statutory Donor Advised Funds. In addition to the standards and criteria described above, the following limitations and requirements apply to Statutory Donor Advised Funds. The Foundation staff member will consult with the Foundation's General Counsel if there is any question regarding whether a particular fund meets the definition of a Statutory Donor Advised Fund.

1. What Is a Statutory Donor Advised Fund? A Foundation fund shall be considered a Statutory Donor Advised Fund if it satisfies the following requirements:
  - a. The fund is separately identified by reference to contributions from a donor or donors;
  - b. The fund is owned and controlled by Seattle Foundation; and
  - c. A donor or donor advisor has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in the fund.
2. Exceptions. However, even if a fund satisfies the three requirements set out above, it will not be considered a Statutory Donor Advised Fund if it: (a) only makes distributions to a single identified organization or governmental entity; or (b) is a Scholarship Fund that meets certain requirements. See TSF Scholarship Guidelines and Procedures for information regarding Scholarship Funds.

In addition, employer-sponsored disaster relief funds that meet certain requirements are excluded from the definition of a Statutory Donor Advised Fund. The Foundation staff member will consult with the Foundation's General Counsel to determine whether an employer-sponsored disaster relief fund satisfies such requirements.

3. Distributions to Individuals Prohibited. The Foundation will not make distributions to individuals from a Statutory Donor Advised Fund, unless it meets the requirements of the Scholarship Fund exception. See Scholarship Guidelines and Procedures.
4. Expenditure Responsibility

The Foundation may make distributions from a Statutory Donor Advised Fund, exclusively for charitable purposes, to the following grantees only if the “expenditure responsibility” procedures described below are strictly followed:

- Non-charities (including, e.g., Section 501(c)(4) social welfare organizations, Section 501(c)(6) business leagues or non tax-exempt organizations);
- Foreign organizations that have not received an IRS determination letter of Section 501(c)(3) status<sup>2</sup>;
- Private non-operating foundations;
- Non-functionally integrated Type III supporting organizations<sup>3</sup> and any supporting organization that supports an organization that is controlled by either the donor or a donor advisor to the advised fund.

The Foundation staff member will consult with the Foundation’s General Counsel for guidance on whether the Foundation may properly make a distribution to such grantees. Expenditure responsibility procedures include the following steps:

- a. Pre-grant Inquiry. A Foundation staff member will investigate the grant applicant. Such investigation shall, at a minimum, include collection of the following information:

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<sup>2</sup> In addition to following “expenditure responsibility” procedures in connection with any distribution from a Statutory Donor Advised Fund to a foreign organization that has not received an IRS determination letter of Section 501(c)(3) status, the Foundation will follow the due diligence procedures described in Section V below applicable to all Foundation grants to such foreign organizations.

<sup>3</sup> Seattle Foundation does not need to follow these expenditure responsibility procedures for Statutory Donor Advised Fund grants to “functionally-integrated” Type III supporting organizations. The Foundation should consult with legal counsel prior to making any Statutory Donor Advised Fund grant to a Type III supporting organization to determine whether the supporting organization is “functionally-integrated.”

- (1) Grant applicant's goals and objectives,
- (2) Population served by the grant applicant,
- (3) Names and backgrounds of the grant applicant's board of directors,
- (4) Names and backgrounds of grant applicant's senior staff and their experience,
- (5) Information addressing the grant applicant's leadership, e.g., staff turnover,
- (6) Information on the grant applicant's past experience in administering charitable grants and compliance with grant conditions,
- (7) Grant applicant's budget,
- (8) Grant applicant's project, title and description,
- (9) Grant applicant's plan to monitor itself, and evaluate the success of its own project,
- (10) Description of grant applicant's projects that have been successful, and analysis of reasons for success,
- (11) Other sources of funding for proposed project,
- (12) Grant applicant's financial statement, and
- (13) The pre-grant inquiry may include a site visit.

- b. Grant Agreement. If the grant request is approved, the Foundation and the grantee will enter into a written grant agreement in substantially the form attached as Exhibit A.
- c. Grantee Reports. The Foundation shall require periodic reports from the grantee on the use of grant funds, compliance with grant terms, and the progress made by the grantee in furthering the grant purposes. The grantee shall make such reports as of the end of its fiscal year during any year in which any portion of the grant is received, and all subsequent years until the grant funds are expended in full or the grant is otherwise terminated. Each annual report is due within ninety days of the end of the grantee's fiscal year. The grantee shall in addition make a final report on all expenditures made from grant funds that indicates the progress made toward the grant goals. The final report is due within ninety days after the

close of the grantee's final fiscal year in which the grant funds are fully expended.

- d. Reporting to IRS. The Foundation shall provide information on its annual IRS Form 990 with respect to each grant made during the taxable year, or with respect to which any grant funds or any grant report is outstanding during the taxable year. The required information includes (a) the grantee's name and address; (b) the date and amount of the grant; (c) the purpose of the grant; (d) the amounts expended by the grantee (based on the grantee's most recent report); (e) whether the grantee has, to the Foundation's knowledge, diverted any portion of the grant; (f) the dates of any reports received from the grantee; and (g) the dates and results of any verification of the grantee's reports undertaken by the Foundation or others at its direction.

## **V. ADDITIONAL DUE DILIGENCE PROCEDURES FOR ALL GRANTS TO FOREIGN ORGANIZATIONS**

Prior to making any grant to a foreign organization that has not received an IRS determination letter of Section 501(c)(3) status, the Foundation shall take appropriate measures to ensure that its funds are not used for any improper purpose (including without limitation, supporting terrorist activities). Specifically, the Foundation shall follow the steps set out in the Foreign Grantmaking Due Diligence Policy attached as Exhibit B. The Foundation shall consider, on a case by case basis (taking into account its prior knowledge and experience with the potential grantee) which procedures set out in the "U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities" are most appropriate to ensure that the Foundation's grant funds will be used exclusively for their intended charitable purposes.

## **VI. INVESTIGATION OF FUND RECIPIENTS; MONITORING THE USE OF GRANTS**

- A. Before approving grants from any Foundation fund, the Foundation President/CEO, or his or her designee, shall obtain the following : (1) verification of the grant recipient's tax-exempt status under Section 501(c)(3) and non-private foundation classification under Section 509(a)(1), (2) or (3); and (2) a copy of the grant recipient's most recent annual financial report or equivalent financial information.
- B. The Foundation will follow procedures similar to the "expenditure responsibility" procedures described above prior to making any distributions to non-charities and foreign organizations that have not received an IRS determination letter of Section 501(c)(3) status. The specific expenditure responsibility steps and level of due diligence required prior to making such distributions from funds other than Statutory Donor Advised Funds may vary depending on the Foundation's prior knowledge and experience with the potential grantee.

- C. The Foundation President/CEO, or his or her designee, shall request all recipients of Foundation grants, whether from Restricted or Unrestricted Funds, to confirm the use to which the grant funds have been put. In addition, in the case of any Designated Fund, if the instrument of transfer contemplates multiple distributions to a designated charity, the President shall report the use made of the funds to the Board of Trustees on an annual basis so that the Grants and Community Leadership Committee and the Board of Trustees may be assured that distributions to the designated charity continue to be necessary and consistent with the charitable needs of the area served by the Foundation and that exercise of the Foundation's variance power as set forth in the Articles of Incorporation, Article Seventh (a)(i), is not called for.

## **VII. REPORTING AND MONITORING COMPLIANCE**

- A. The activities and the affairs of the Foundation should be widely reported. The President/CEO is encouraged to disseminate information about the Foundation through press releases, web site announcements, newsletters, annual reports and personal involvement in the community.
- B. The President/CEO shall be responsible for ensuring that the Foundation meets all applicable tax reporting requirements with respect to its administration of funds.
- C. The Foundation shall maintain a list of all "disqualified persons" with respect to the Foundation. Such list shall include the following categories of individuals:
1. Donors and donor advisors to any Advised Fund,
  2. Investment advisors to any Advised Fund,
  3. Foundation Directors,
  4. Foundation Officers,
  5. Foundation Key Employees,
  6. Persons deemed to have substantial influence over the affairs of the Foundation,
  7. "Disqualified Persons" of any Foundation Supporting Organization,
  8. Family members living in the same households of persons listed above, and
  9. Any entity in which persons listed above and their family members hold in the aggregate more than a 35% interest.
- D. The Foundation shall seek advice from legal counsel prior to approving any transaction or any arrangement between the Foundation and a "disqualified person" with respect to the Foundation.

These Guidelines may be amended from time to time by the Board of Trustees.



## **EXHIBIT A**

### **EXPENDITURE RESPONSIBILITY GRANT TO ORGANIZATIONS OTHER THAN SECTION 501(c)(3) PUBLIC CHARITIES**

#### **GRANT AGREEMENT**

Seattle Foundation (“Grantor”) and \_\_\_\_\_ (“Grantee”) hereby enter into this Grant Agreement effective \_\_\_\_\_.

**1. Grant Award.** Grantor hereby awards a grant in the amount of \$\_\_\_\_\_ to Grantee for its \_\_\_\_\_ project (the “Project”) for the period of \_\_\_\_\_. The purposes of the Project are \_\_\_\_\_.

**2. Use of Grant Funds.** Grantee agrees to use the grant funds solely for the Project as outlined in its proposal to Grantor. Grantee agrees that the grant funds will be used in accordance with the budget submitted by Grantee as part of its grant application and attached to this Grant Agreement. Grantee further agrees that the grant funds will be used exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). Use of any portion of the grant funds, including any interest earned thereon, for any other purpose requires prior written approval by Grantor. Grantee agrees to repay to Grantor any portion of the amount granted that is not used for charitable purposes.

**3. Prohibited Use of Funds.** Grantee agrees that it will not use the grant funds to any extent:

- a. to carry out propaganda, or otherwise attempt to influence legislation;
- b. to influence the outcome of any specific election or to carry on, directly or indirectly, any voter registration drive;
- c. for grants to individuals for travel or study, or for any grants to individuals awarded on a non-objective basis;
- d. for a grant to a private foundation or to an organization not qualifying under Code Section 501(c)(3);
- e. for any purpose other than one specified in Code Section 170(c)(2)(B) (e.g., charitable or educational purposes);
- f. to support terrorist activities or organizations that engage in or support terrorist activities;
- g. if Grantee is a foreign person (i.e., an individual who is not a U.S. citizen or resident for tax purposes or an entity that is not formed in the U.S.), for any activities in the U.S., including expenditures in connection with the performance of services or attendance at meetings

in the U.S., whether by Grantee's personnel or other persons, or for travel to or from the U.S.

**4. Receipt for Grant Funds.** Grantee agrees to provide Grantor with a receipt for grant funds immediately upon receiving such funds.

**5. Grantee's Report.** Grantee will furnish annual written reports to Grantor as to the expenditure of the grant funds in accordance with the budget, covering both the substance of its activities under this grant and the financial administration of the grant. Such reports shall evaluate the progress made in accomplishing the grant's purposes, and shall include copies of all press releases and other public announcements of the grant. Annual reports shall be due no later than 90 days from the end of Grantee's tax year. Grantee will submit a final report to Grantor that details all expenditures of grant funds and the progress made towards the grant's goals, which report shall be due no later than 90 days from the end of the Grantee's tax year in which the grant funds are fully expended.

**6. Changes in Control or Status.** Grantee shall notify Grantor within thirty (30) days of any changes to its corporate legal or tax status and any change in its management, including changes in the composition of the Grantee's officers, directors or key employees.

**7. Maintenance of Grant Funds in Separate Fund.** Grantee agrees to maintain the grant funds in a separate fund on its books during the entire grant period. This separate fund must be exclusively dedicated to the charitable purposes of the Project. **[Note to TSF – This requirement is intended to provide TSF with reasonable assurance that the grant funds will be used exclusively for charitable purposes. The Grantee is not required to maintain the grant funds in a separate fund if the Grantee is a Section 501(c)(3) organization classified as a private foundation.]** Grantee agrees to maintain specific financial and related records to clearly show that the grant funds were used exclusively for the charitable purposes described in the grant application and to make such records available to Grantor at reasonable times.

**8. Grant Review.** Grantee will permit representatives of Grantor to visit Grantee's premises and review Grantee's activities with respect to the Project, and will permit Grantor, at its own expense, to conduct an independent financial and/or programmatic audit of the expenditure of this grant. Grantor may discontinue, modify, or withhold part or all of the grant funds when, in its judgment, such action is necessary to comply with the law.

**9. Additional Information.** Grantee agrees to supply Grantor with such other information as may be necessary or desirable to permit Grantor to exercise its responsibility for the supervision of the grant as required by the tax law.

**10. Notices.** All notices or reports under this Agreement shall be addressed as follows:

Grantor:	Seattle Foundation
	_____
	_____
Grantee:	_____

\_\_\_\_\_  
\_\_\_\_\_

This Grant Agreement must be signed by an officer of Grantee prior to issuance of the grant funds. Grantee may keep a copy of this Grant Agreement as signed for its records.

SEATTLE FOUNDATION

<<GRANTEE NAME>>

\_\_\_\_\_  
By: [Name]\_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: [Name]\_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT B**

### **SEATTLE FOUNDATION FOREIGN GRANTMAKING DUE DILIGENCE POLICY**

This foreign grantmaking due diligence policy sets out the process to be followed by Seattle Foundation (the “Foundation”) prior to distribution of any grant funds to a foreign organization that has not received an IRS determination letter of Section 501(c)(3) status. In making any grant to a foreign organization, the Foundation shall take appropriate steps to ensure that its grant funds are not diverted for any improper purpose, such as supporting terrorist activities.

**1. Review Governing Documents and Seek References.** Review the governing documents of each foreign organization that is a potential recipient of funds; obtain biographical information on its directors or trustees, officers, key employees and/or principals involved in carrying out the activities of the recipient organization. The Foundation may also seek references and information from its local contacts and other NGOs. The level of inquiry required may vary depending on the Foundation’s prior knowledge and past experience with the potential grantee.

**2. Check for Sanctions.** Check to see whether a proposed distribution implicates current U.S. sanctions involving any country.  
<http://www.ustreas.gov/offices/enforcement/ofac/programs/index.shtml> displays the current list. The Foundation will seek assistance from its legal counsel prior to making any distribution to organizations located in countries subject to U.S. sanctions.

**3. List Checking.** Check or cause to be checked by a reputable vendor with expertise in list-checking services, other lists of restricted persons or entities as appropriate for the names of the organization, its board members, officers, key employees and/or principals of foreign organizations to which funds may be distributed. Such lists include:

- Executive Order 13224  
<http://www.ustreas.gov/offices/enforcement/ofac/legal/eo/13224.pdf>
- Specially Designated Nationals List  
<http://www.ustreas.gov/offices/enforcement/ofac/sdn/>
- Terrorist Exclusion List  
<http://www.state.gov/s/ct/rls/fs/2004/32678.htm>
- Denied Persons List; Unverified List; Entity List  
<http://www.bis.doc.gov/complianceandenforcement/liststocheck.htm>
- Debarred List - State Department, Office of Defense Trade Controls  
<http://www.pmddtc.state.gov/debar059.htm>

The Foundation will seek assistance from its legal counsel prior to making any

distribution to an organization listed on any of these lists.

**4. Document Due Diligence.** Keep detailed documentation of all inquiries made concerning potential recipients of funds to demonstrate the Foundation's good faith investigation prior to disbursing any funds.

**5. Site Visit.** The Foundation may, at its option, make a site visit during which a Foundation representative may meet the executive director and/or the staff member of the organization in charge of the proposed charitable project, and may address any questions regarding the recipient organization's finances with its bookkeeper and/or financial officer. Where feasible, Foundation representatives will conduct periodic site visits to observe progress and meet with local organization representatives or individuals to ensure that the Foundation's funds are properly used.

# Exhibit C

## Opening a Fund

### SECTION 1A: Donor Information

Please list your information below and indicate which donor should be the primary contact.

#### DONOR 1

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone #1 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Phone #2 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Primary Contact? ☐ Yes ☐ No

I would prefer being contacted via: ☐ Email ☐ Phone #1 ☐ Phone #2 ☐ Mail

#### DONOR 2

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone #1 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Phone #2 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Primary Contact? ☐ Yes ☐ No

I would prefer being contacted via: ☐ Email ☐ Phone #1 ☐ Phone #2 ☐ Mail

My/our preferred salutation for written correspondence is \_\_\_\_\_

### SECTION 1B: Fund Information

This fund is being established as a:

☐ Family Foundation

☐ Community Philanthropy Fund

I/We intend to donate assets to this fund:

☐ While living

☐ Through my/our estate plan

## SECTION 1C: Recognition

Please indicate the name of your fund: \_\_\_\_\_

Please note that every grant made from a fund at Seattle Foundation is accompanied by a letter identifying the name of the fund and the name of the donor(s) recommending the grant, unless you request anonymity on a case-by-case basis. Fund names are occasionally listed in Seattle Foundation publications as well.

Seattle Foundation may recognize me as: (select one)

- ☐ Use my/our name(s) as in Section 1A of this form.
- ☐ \_\_\_\_\_ (specify how you want your name(s) to appear).
- ☐ I/We would like to keep my/our name(s) anonymous, but use the fund name in grant transmittal letters and publications.
- ☐ I/We would like Seattle Foundation to keep my/our name(s) and fund name completely anonymous.

## SECTION 2A: Distributions and Time Horizon

All distributions from funds established at Seattle Foundation are subject to Seattle Foundation's variance power and its spending policy, as described in the "Fund Terms & Conditions" attached hereto. The Spending Policy is intended to ensure that distributions are consistent with a donor's intent when that donor has specified limitations on distributions from a fund. Any such limitations must be specified at the time the fund is established. Please indicate your distribution limitations below.

I/We specify that Seattle Foundation limit distributions from the fund as follows:

- ☐ There are no restrictions on the amount of annual distributions.
- ☐ Distributions shall be made in a manner that will ensure permanent endowment.
- ☐ Distributions shall be made over a period of \_\_\_\_\_ years.
- ☐ No distributions shall be made until the fund reaches \$\_\_\_\_\_, at which time distributions shall be made over a period of \_\_\_\_ years.
- ☐ No distributions shall be made until the fund reaches \$\_\_\_\_\_, at which time distributions shall be made in a manner that will ensure permanent endowment.

## SECTION 2B: Optional Future Endowment

- ☐ Upon my/our death, treat my fund in a manner that will ensure permanent endowment.



### SECTION 3: Advisors and Successors

Donors establishing a Family Foundation or Community Philanthropy Fund (both classified by the Internal Revenue Service as donor advised funds) may designate individuals who will serve as advisors to the fund and, as such, may make recommendations to Seattle Foundation regarding grant distributions from the fund.

Donors may designate themselves as advisors, or may designate others in addition to or instead of themselves as advisors. Once designated, an advisor's status can only be revoked in writing by the donor(s) who established the fund.

All named advisors have equal rights to recommend grant distributions from the fund, but if two or more advisors are designated, a fund chairperson must also be identified. Seattle Foundation will not make any distribution to satisfy a pledge or other legal obligation of a donor or donor advisor. All distributions from donor advised funds must comply with Seattle Foundation's operating procedures for donor advised funds. For more information, contact Seattle Foundation's Philanthropic Services team at (206) 515-2111 or [philanthropicservices@seattlefoundation.org](mailto:philanthropicservices@seattlefoundation.org).

Unless otherwise stated in the comments area below, all advisors will receive quarterly fund status reports, grant approval reports and standard mailings from Seattle Foundation.

Please indicate the fund advisors below and identify a fund chairperson, attaching additional sheets as necessary.

**ADVISOR 1: This advisor will serve as chairperson for this fund.**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_

Relationship to Donor(s) \_\_\_\_\_

Comments \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ADVISOR 2**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_

Relationship to Donor(s) \_\_\_\_\_

Comments \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SUCCESSOR ADVISOR INFORMATION**

One or more successor advisors may be authorized to recommend grants from the fund in the event the advisor(s) named above dies, resigns or is otherwise unable to act in this capacity. Donors establishing a donor advised fund have the option of authorizing the successor advisor(s) to designate his or her successor in the event the successor advisor(s) dies, resigns or is otherwise unable to act in this capacity. Once designated, a successor advisor's status can only be revoked by the donor(s) establishing the fund, by the authorized individual who designated such successor advisor to serve as his or her successor or by the advisor him/herself. All successor advisors have equal rights to recommend grant distributions from the fund. In cases of two or more successor advisors, a single successor chairperson must be identified.

Please indicate the name(s) of the successor advisor(s) below, identify a successor chairperson and indicate whether you authorize the successor advisor(s) to designate his or her successor. Please attach additional sheets as necessary.

**SUCCESSOR ADVISOR 1: This advisor will serve as successor chairperson for this fund.**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Relationship to Donor(s) \_\_\_\_\_

**SUCCESSOR ADVISOR 2**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Relationship to Donor(s) \_\_\_\_\_

- ☐ *I/We have informed the successor advisors of my/our succession plan.*
- ☐ *I/We would like the successor advisors to receive mailings and event invitations from Seattle Foundation.*

Would you like the successor advisor(s) to have the authority to designate his or her successor in the event the successor advisor(s) dies, resigns or is otherwise unable to act in this capacity? If so, all requests to designate future successor advisors must be communicated to Seattle Foundation in writing by the authorized successor advisor.

- ☐ *Yes, I/we authorize the successor advisor(s) named above to designate his or her successor. Thereafter, all future successor advisors may designate their successors at any time by a writing delivered to Seattle Foundation.*
- ☐ *No, in the event the successor advisor(s) named above dies, resigns or is otherwise unable to act in this capacity, I/we recommend that the balance of my/our fund be used as selected under "Future Planning" below.*

**Additional Successor Advisor Instructions:**

## SECTION 4: Future Planning

Donors establishing a Family Foundation or Community Philanthropy Fund (both classified by the Internal Revenue Service as donor advised funds) have the option to determine a future plan for their fund, in the event the advisor(s) and/or successor advisor(s) to this fund dies, resigns or is otherwise unable to act in this capacity. Following the time horizon outlined in Section 2, please select an option or a combination of options below to meet your donor intent.

- ☐ Transfer the balance of my fund to the Seattle Foundation [Community Impact Fund](#), which broadly supports organizations working to improve the well-being and vitality of the Greater Seattle area and its residents.

- ☐ Establish a named Community Impact Fund with the balance (*no minimum*): \$ \_\_\_\_\_  
Fund name: \_\_\_\_\_

- ☐ Transfer the balance of my fund to one or more of Seattle Foundation's Healthy Community Funds that support organizations working to address local community needs in a particular area of interest:

\_\_\_\_\_ % [Arts & Culture](#)  
 \_\_\_\_\_ % [Basic Needs](#)  
 \_\_\_\_\_ % [Economy](#)  
 \_\_\_\_\_ % [Education](#)  
 \_\_\_\_\_ % [Environment](#)  
 \_\_\_\_\_ % [Global](#)  
 \_\_\_\_\_ % [Health & Wellness](#)  
 \_\_\_\_\_ % [Vibrant Communities](#)

- ☐ Establish an area of interest fund in my name with the balance (*min. \$100,000\**): \$ \_\_\_\_\_  
Fund name: \_\_\_\_\_  
(Identify a particular area of interest) \_\_\_\_\_

- ☐ Establish a designated fund in my name to support the following nonprofit organization(s) of my choice (*min. \$100,000\**):

Name and Address of Organization	Percentage Payable
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
	100%

*If none of the above options is chosen, the proceeds of your fund will be transferred to Seattle Foundation's unrestricted Community Impact Fund.*

*\*Minimum \$100,000 required to establish a fund. Once the fund balance falls below \$20,000 and when no other contributions are expected, the fund will be closed and the assets will be transferred to Seattle Foundation's unrestricted Community Impact Fund.*

**SECTION 5: Professional Advisor Information**

Are you working with a professional advisor? If so, please provide the information requested below.

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*

## SECTION 6A: Providing a Gift to Seattle Foundation

I/We intend to assign, convey, transfer and deliver to Seattle Foundation the following described property:

- ☐ Cash in the Amount of \$ \_\_\_\_\_
- ☐ Securities, Publicly Traded
- ☐ Personal Property (*Please attach description*)\*
- ☐ Securities, Privately Held\*
- ☐ Testamentary Gift (*Please specify*) \_\_\_\_\_
- ☐ Real Estate\* (*If real estate, please complete Section 6B.*)
- ☐ Other \_\_\_\_\_

*\*Please note that such gifts are subject to review by Seattle Foundation's Gift Acceptance Committee.*

## SECTION 6B: Gift of Real Estate to TSF Properties

I/We intend to assign, convey, transfer and deliver to TSF Properties (a supporting organization of Seattle Foundation) the following described real property:

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## SECTION 7A: Planned Gifts

- ☐ Yes, I/we have named Seattle Foundation in my/our will or trust.
- ☐ I/We have named Seattle Foundation as a beneficiary of my/our retirement plan or life insurance policy.
- ☐ I/We have named Seattle Foundation as a beneficiary of my/our charitable remainder trust.

## SECTION 7B: Planned Gifts Recognition

- ☐ Please acknowledge my planned gift in Seattle Foundation's annual report as:  
\_\_\_\_\_
- ☐ I prefer my planned gift to remain anonymous

## SECTION 8: Online Fund Management

Donors that establish a Family Foundation or Community Philanthropy Fund can access fund activity information and recommend grants online through a password-protected interface at [www.seattlefoundation.org/login](http://www.seattlefoundation.org/login).

## SECTION 9: Acknowledgement & Signature—Individual Donors

- ☐ I acknowledge that I have read Seattle Foundation's "Fund Terms & Conditions" (attached hereto and incorporated herein by this reference) and agree to the terms and conditions set forth therein. I understand that any contribution, once accepted by Seattle Foundation, represents an irrevocable contribution to Seattle Foundation and is not refundable to me.

Donor 1 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Donor 2 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## SECTION 10: How Did You Learn About Seattle Foundation?

I/We learned of Seattle Foundation through: (Check all that apply)

- ☐ *Print Advertisement*
- ☐ *Radio Spot*
- ☐ *Advisor Recommendation (name optional)* \_\_\_\_\_
- ☐ *Existing Donor (name optional)* \_\_\_\_\_
- ☐ *Word of Mouth*
- ☐ *Web Search*
- ☐ *Social Media (Facebook, Twitter, etc.)*
- ☐ *Foundation Presentation/Speaking Engagement (event name optional)* \_\_\_\_\_
- ☐ *Community Organization (name optional)* \_\_\_\_\_
- ☐ *GiveBIG*
- ☐ *Other* \_\_\_\_\_

**PLEASE SEND COMPLETED FORMS TO THE ADDRESS BELOW.**

*Seattle Foundation*  
Attn: Philanthropic Services  
1601 Fifth Avenue, Suite 1900  
Seattle, WA 98101-3615  
Fax: (206) 622-7673

## Fund Terms & Conditions

**TAX STATUS OF FUNDS.** Donor funds established at Seattle Foundation (the “Foundation”) are component funds of Seattle Foundation, a Section 501(c)(3) public charity. Accordingly, all contributions to the Foundation’s donor funds are treated for tax purposes as gifts to a Section 501(c)(3) public charity and are tax deductible to the extent allowed by law, subject to individual and corporate limitations.

**VARIANCE POWER.** All donor funds established at the Foundation are subject to the Foundation’s “variance power,” as set forth in Article VII(a)(i) of its Articles of Incorporation. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community.

**DISTRIBUTIONS.** The Foundation anticipates distributions from each fund at least every two years. Donors may, at the time they create a fund, recommend that the fund be managed as a permanent endowment and be paid out in accordance with its spending policy or be paid out over a specified period of time. Donors may also specify that no distributions be made until the fund reaches a certain dollar amount. All distributions from donor funds are subject to the Foundation’s variance power, as noted above.

**SPENDING POLICY.** The Foundation anticipates distributions from each endowed fund at least annually of an appropriate percentage of the fund’s market value, as determined by the Foundation’s Board of Trustees. In determining the annual distribution amount to be paid from endowed funds, the Foundation’s Board of Trustees may consider the expected total return on the fund’s investments, the desirability of maintaining the value of those funds and any other factors that it deems relevant. The Foundation reserves the right to spend the entire

amount of any fund, if by the terms of the donor gift agreement the gift is subject to the Foundation’s “Spending Policy” and the Foundation determines that such expenditures better satisfy the donor’s intentions than a limitation on expenditures.

### **RESTRICTIONS ON GRANTS FROM FUNDS.**

Distributions from funds established at the Foundation will be made only if they are consistent with the Foundation’s charitable purposes and satisfy community needs identified by the Foundation as deserving of its support. Fund distributions will not be made for memberships, pledges, sponsorships, tickets or for any purpose that would otherwise provide a benefit to donors, donor advisors or related parties. Distributions may not involve loans, compensation, expense reimbursements or similar payments to donors, donor advisors or related parties. Distributions from donor funds may not be made to any specific individual (other than from approved “scholarship funds”) or to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

**INVESTMENT OF ASSETS.** All assets contributed to funds established at the Foundation will be managed in the Foundation’s general fund, unless otherwise requested by the donor in writing. Assets may be managed by an independent trustee, custodian, investment advisor or other fiduciary (an “investment partner”) apart from the Foundation’s general fund, provided that all such assets are managed in accordance with Seattle Foundation’s Investment Policy Statement. All investment partners shall be provided with a copy of and must agree to adhere to Seattle Foundation’s Investment Policy Statement as a condition of continued service in such capacity, and the Foundation reserves the right to replace any investment partner in its sole discretion. Minimum fund values are required for investment of assets outside of the general fund. For more information about the requirements for using an investment partner, contact a member of the Foundation’s Philanthropic Services team.



**FEES.** Donor funds established at the Foundation are subject to administrative and investment fees. A list of fees is available upon request. The Foundation reserves the right to change its fee structure at any time.

**SOLICITATION POLICY.** Donors who wish to solicit contributions for a fund at the Foundation must receive advance approval from the Foundation. Once approved, donors must use the following language in any solicitation:

*"IRS regulations require us to note that Seattle Foundation will not provide any goods or services to you in exchange for a contribution to the \_\_\_\_\_ Fund. As a component fund of Seattle Foundation, Seattle Foundation has the authority to redirect distributions from the \_\_\_\_\_ Fund if it becomes necessary to protect donor intent."*

*"Funds raised at this event (or for this cause) will be added to the \_\_\_\_\_ Fund at Seattle Foundation, a Section 501(c)(3) organization. Seattle Foundation may disburse grants from the fund as recommended by \_\_\_\_\_ Fund advisors or as community needs dictate. All checks should be made payable to Seattle Foundation/ \_\_\_\_\_ Fund."*

**CONFLICT OF TERMS.** In the event of an inconsistency between these terms and conditions, and any terms and conditions appearing elsewhere in connection with any fund, these terms and conditions as interpreted by the Foundation shall govern, and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund or the Foundation.

## Terms Applicable to Donor Advised Funds

### CHARACTERISTICS OF DONOR ADVISED FUNDS.

Donors establishing advised funds are encouraged to make recommendations regarding distributions from the fund for specific charitable purposes or to one or more charitable organizations. In addition to the "Restrictions on Grants from Funds" section above, distributions from advised funds will be made only if they are consistent with Seattle Foundation's Operating Guidelines, as may be amended from time to time.

**ROLE OF ADVISORS.** The Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and are in no way binding upon the Foundation. In evaluating recommendations for distributions from advised funds, the Foundation staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes typically as described in Section 170(b)(1)(A) of the Internal Revenue Code; reviews the recommended grantee's financial and program information; and evaluates the advice of donors against the standards and criteria set forth in the Foundation's Operating Guidelines to ensure that such advice is consistent with specific charitable needs identified by the Foundation as deserving of support and complies with all applicable federal tax requirements.

In all cases of two or more advisors, the advisors shall appoint a chairperson and all communications concerning grant recommendations to and from Seattle Foundation will be through the chairperson. In any case where multiple advisors make conflicting recommendations regarding distributions from the fund that cannot be promptly resolved, the Foundation may independently initiate distributions from the fund. In addition, if the advisor(s) fails to make a standing distribution recommendation, or

fails to make any distribution recommendations for two consecutive years, the Foundation will contact the advisor(s) to discuss this situation (see “Inactive Funds” section for more details).

**APPOINTMENT OF ADDITIONAL ADVISORS.** All requests to appoint additional advisors and successor advisors to an advised fund must be communicated to the Foundation in writing by the donor(s) establishing the fund or by the authorized successor advisor(s). If upon the death, resignation or incapacity of an advised fund’s donor(s), the Foundation has not received in writing the names of an additional advisor(s) or successor advisor(s) to the fund or a recommended future plan for the fund, the Foundation will use the fund’s balance to support the Seattle Foundation’s unrestricted Community Impact Fund.

*Donor Advised Funds established by corporations, rather than by individuals, are often advised by an appointed committee with a process for selecting new members. Any changes in advisors to the fund must be made in writing by an officer or authorized representative of the corporation that established the fund.*

**SCHOLARSHIP FUNDS.** Donors may establish a fund for the purpose of making grants to be used exclusively for tuition and fees at accredited educational institutions (a “Scholarship Fund”). All scholarship funds shall be administered by the Foundation in accordance with its “Scholarship Guidelines and Procedures” as may be amended from time to time and applicable federal tax laws.

**INACTIVE FUNDS.** In order to carry out its policy of consistently distributing charitable dollars to the community, the Foundation will review periodically the grantmaking activity of every advised fund. If a fund has failed to make distributions commensurate in size with the Foundation’s spending policy over a two-year period, the Foundation will contact the advisor(s) to discuss this situation. At that time, the advisor(s) will be given the following options to continue the fund:

- *Provide a plan for funding a specific charitable project that requires an accumulation of resources for more than a two-year period.*
- *Resume making ongoing grant recommendations.*

If the advisor(s) do not have a plan for funding a specific project and do not want to make ongoing grant recommendations, then the advisor(s) will be given the following options to close the fund:

- *Recommend that the balance of the fund be granted to one or more Section 501(c)(3) public charities of their choice.*
- *Recommend that the balance of the fund be used to support Seattle Foundation’s unrestricted Community Impact Fund or to one or more of the Foundation’s Healthy Community Funds, to be distributed by the Foundation to meet the most pressing needs of the community.*

**In the event that the advisor(s) cannot be located or is(are) unresponsive, the balance of the fund will be used to support Seattle Foundation’s unrestricted Community Impact Fund.**

# Exhibit D

# Planned Giving with Seattle Foundation

## SECTION 1A: Donor Information

Please list your information below and indicate which donor should be the primary contact.

### DONOR 1

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone #1 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Phone #2 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Primary Contact? ☐ Yes ☐ No

I would prefer being contacted via: ☐ Email ☐ Phone #1 ☐ Phone #2 ☐ Mail

### DONOR 2

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone #1 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Phone #2 \_\_\_\_\_ ☐ cell ☐ home ☐ business ☐ other \_\_\_\_\_ (check one)

Email \_\_\_\_\_ Date of Birth \_\_\_\_\_

Primary Contact? ☐ Yes ☐ No

I would prefer being contacted via: ☐ Email ☐ Phone #1 ☐ Phone #2 ☐ Mail

My/our preferred salutation for written correspondence is \_\_\_\_\_

## SECTION 1B: Funding Information

I/We intend to donate assets to this fund:

☐ While living

☐ Through my/our estate plan

## SECTION 2A: Planned Gifts and Bequests

- ☐ Yes, I/we have named Seattle Foundation in my/our will or trust.
  - ☐ I/we have named Seattle Foundation as a beneficiary of my/our IRA or qualified retirement plan.
  - ☐ I/we have named Seattle Foundation as a beneficiary of my/our life insurance policy.
  - ☐ I/we have named Seattle Foundation as a beneficiary of my/our charitable remainder trust.
  - ☐ I/we have arranged another charitable giving vehicle with Seattle Foundation: *(please list)*
- 

## SECTION 2B: Fund Type and Name of Fund

Individualized funds make it possible for you to support what's important to you and gifts are made in your name or the name of your fund. You may choose from several different fund types.

Please indicate your chosen type of fund below.

- ☐ *Community Impact Fund/Unrestricted (See Section 6)*
- ☐ *Area of Interest Fund (See Section 7)*
- ☐ *Designated Fund (See Section 8)*
- ☐ *Scholarship Fund (must include Scholarship Addendum)*

Please indicate the name of your fund: \_\_\_\_\_

## SECTION 3: Recognition

Seattle Foundation is grateful for your generous gift to the community. Recognition may include identification of you and/or your fund in Seattle Foundation publications, website, legacy society wall and events, grant transmittal letters, and other forms of acknowledgement. Please tell us how you wish to be acknowledged.

*While I am living, Seattle Foundation may recognize my planned gift and/or bequest as: (select one)*

- ☐ \_\_\_\_\_ *(specify how you want your name to appear)*
- ☐ *Anonymous*

*Upon my death, Seattle Foundation may recognize me as: (select one)*

- ☐ \_\_\_\_\_ *(specify how you want your name to appear)*
- ☐ *Continue to keep my name anonymous, but use the fund name in grant transmittal letters and publications.*
- ☐ *Keep my name and fund name completely anonymous.*

## SECTION 4: Distributions and Time Horizon

All distributions from funds established at Seattle Foundation are subject to Seattle Foundation's variance power and its spending policy, as described in the "Fund Terms & Conditions" attached hereto. The Spending Policy is intended to ensure that distributions are consistent with a donor's intent when that donor has specified limitations on distributions from a fund. Any such limitations must be specified at the time the fund is established. Please indicate your distribution limitations below.

I/We specify that Seattle Foundation limit distributions from the fund as follows:

- ☐ *Distributions shall be made in a manner that will ensure permanent endowment.*
- ☐ *Distributions shall be made over a period of \_\_\_\_\_ years.*
- ☐ *No distributions shall be made until the fund reaches \$\_\_\_\_\_, at which time distributions shall be made over a period of \_\_\_\_ years.*
- ☐ *No distributions shall be made until the fund reaches \$\_\_\_\_\_, at which time distributions shall be made in a manner that will ensure permanent endowment.*
- ☐ *There are no restrictions on the amount of annual distributions.*
- ☐ Other \_\_\_\_\_

## SECTION 5A: Providing a Planned Gift to Seattle Foundation

I/We intend to assign, convey, transfer and deliver to Seattle Foundation the following described property:

- ☐ Cash in the Amount of \$ \_\_\_\_\_
- ☐ Securities, Publicly Traded
- ☐ Personal Property *(Please attach description)\**
- ☐ Securities, Privately Held\*
- ☐ Real Estate\* *(If real estate, please complete Section 5B)*
- ☐ Other \_\_\_\_\_

\* Please note that such gifts are subject to review by Seattle Foundation's Gift Acceptance Committee.

## SECTION 5B: Gift of Real Estate to TSF Properties

I/We intend to assign, convey, transfer and deliver to TSF Properties (a supporting organization of Seattle Foundation) the following described real property:

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## SECTION 6: Named Community Impact Fund

Donors may establish a [Community Impact Fund](#) in their name, which broadly supports the well-being and vitality of the Greater Seattle area and its residents. When you establish a named Community Impact Fund, you leave decisions about the use of your gift to Seattle Foundation, relying on Seattle Foundation's extensive experience and reach within the community to know which needs are most pressing. Grants made from your fund are accompanied by a letter identifying the name of the fund(s) used to support the grant.

## SECTION 7: Area of Interest Fund

Donors may establish an area of interest fund in their name, thereby specifying that Seattle Foundation make distributions from the fund to nonprofit organizations for certain charitable purposes. When you establish an Area of Interest Fund, you leave decisions about the use of your gift to Seattle Foundation, relying on Seattle Foundation's extensive experience and reach with the community to know which needs are most pressing within your stated interest area(s). Please indicate the interest areas (e.g., arts, education, etc.) and/or a geographic area(s) that you would like to support. Grants made from your fund are accompanied by a letter identifying the name of the fund(s) used to support the grant.

- |  |   |
|--|---|
| <input type="checkbox"/> _____% <a href="#">Arts &amp; Culture</a> | <input type="checkbox"/> _____% <a href="#">Environment</a>           |
| <input type="checkbox"/> _____% <a href="#">Basic Needs</a>        | <input type="checkbox"/> _____% <a href="#">Global</a>                |
| <input type="checkbox"/> _____% <a href="#">Economy</a>            | <input type="checkbox"/> _____% <a href="#">Health &amp; Wellness</a> |
| <input type="checkbox"/> _____% <a href="#">Education</a>          | <input type="checkbox"/> _____% <a href="#">Vibrant Communities</a>   |

Describe other area(s) of interest (or comments): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## SECTION 8: Designated Fund

Donors establishing a Designated Fund in their name may recommend that distributions from the fund be made to one or more Section 501(c)(3) public charities (i.e., not private foundations). Please indicate the qualifying charitable recipient(s) that you would like to receive distributions from the fund.

<i>Name and Address of Organization</i>	<i>Percentage Payable</i>
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
	100%

**SECTION 9: Professional Advisor Information**

Are you working with a professional advisor? If so, please provide the information requested below.

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*

☐ ATTORNEY   ☐ CPA   ☐ WEALTH ADVISOR   ☐ INVESTMENT MANAGER   ☐ OTHER

Professional Advisor's Name \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

☐ *I/We authorize Seattle Foundation to share information about my gift and my fund with this advisor.*



## SECTION 10: Acknowledgement & Signature—Individual Donors

- ☐ I acknowledge that I have read Seattle Foundation's "Fund Terms & Conditions" (attached hereto and incorporated herein by this reference) and agree to the terms and conditions set forth therein. I understand that any contribution, once accepted by Seattle Foundation, represents an irrevocable contribution to Seattle Foundation and is not refundable to me.

Donor 1 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Donor 2 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## SECTION 11: How Did You Learn About Seattle Foundation?

I/We learned of Seattle Foundation through: (Check all that apply)

- ☐ *Print Advertisement*  
☐ *Radio Spot*  
☐ *Advisor Recommendation (name optional)* \_\_\_\_\_  
☐ *Existing Donor (name optional)* \_\_\_\_\_  
☐ *Word of Mouth*  
☐ *Web Search*  
☐ *Social Media (Facebook, Twitter, etc.)*  
☐ *Foundation Presentation/Speaking Engagement (event name optional)* \_\_\_\_\_  
☐ *Community Organization (name optional)* \_\_\_\_\_  
☐ *GiveBIG*  
☐ *Other* \_\_\_\_\_

**PLEASE SEND COMPLETED FORMS TO THE ADDRESS BELOW.**

*Seattle Foundation*  
 Attn: Gift Planning  
 1601 Fifth Avenue, Suite 1900  
 Seattle, WA 98101-3615  
 Fax: (206) 622-7673

## Fund Terms & Conditions

**TAX STATUS OF FUNDS.** Donor funds established at Seattle Foundation (the “Foundation”) are component funds of Seattle Foundation, a Section 501(c)(3) public charity. Accordingly, all contributions to the Foundation’s donor funds are treated for tax purposes as gifts to a Section 501(c)(3) public charity and are tax deductible to the extent allowed by law, subject to individual and corporate limitations.

**VARIANCE POWER.** All donor funds established at the Foundation are subject to the Foundation’s “variance power,” as set forth in Article VII(a)(i) of its Articles of Incorporation. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community.

**DISTRIBUTIONS.** The Foundation anticipates distributions from each fund at least every two years. Donors may, at the time they create a fund, recommend that the fund be managed as a permanent endowment and be paid out in accordance with its spending policy or be paid out over a specified period of time. Donors may also specify that no distributions be made until the fund reaches a certain dollar amount. All distributions from donor funds are subject to the Foundation’s variance power, as noted above.

**SPENDING POLICY.** The Foundation anticipates distributions from each endowed fund at least annually of an appropriate percentage of the fund’s market value, as determined by the Foundation’s Board of Trustees. In determining the annual distribution amount to be paid from endowed funds, the Foundation’s Board of Trustees may consider the expected total return on the fund’s investments, the desirability of maintaining the value of those funds and any other factors that it deems relevant. The Foundation reserves the right to spend the entire

amount of any fund, if by the terms of the donor gift agreement the gift is subject to the Foundation’s “Spending Policy” and the Foundation determines that such expenditures better satisfy the donor’s intentions than a limitation on expenditures.

### **RESTRICTIONS ON GRANTS FROM FUNDS.**

Distributions from funds established at the Foundation will be made only if they are consistent with the Foundation’s charitable purposes and satisfy community needs identified by the Foundation as deserving of its support. Fund distributions will not be made for memberships, pledges, sponsorships, tickets or for any purpose that would otherwise provide a benefit to donors, donor advisors or related parties. Distributions may not involve loans, compensation, expense reimbursements or similar payments to donors, donor advisors or related parties. Distributions from donor funds may not be made to any specific individual (other than from approved “scholarship funds”) or to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

**INVESTMENT OF ASSETS.** All assets contributed to funds established at the Foundation will be managed in the Foundation’s general fund, unless otherwise requested by the donor in writing. Assets may be managed by an independent trustee, custodian, investment advisor or other fiduciary (an “investment partner”) apart from the Foundation’s general fund, provided that all such assets are managed in accordance with Seattle Foundation’s Investment Policy Statement. All investment partners shall be provided with a copy of and must agree to adhere to Seattle Foundation’s Investment Policy Statement as a condition of continued service in such capacity, and the Foundation reserves the right to replace any investment partner in its sole discretion. Minimum fund values are required for investment of assets outside of the general fund. For more information about the requirements for using an investment partner, contact a member of the Foundation’s Philanthropic Services team.

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**ROLE OF ADVISORS.** The Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and are in no way binding upon the Foundation. In evaluating recommendations for distributions from advised funds, the Foundation staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes typically as described in Section 170(b)(1)(A) of the Internal Revenue Code; reviews the recommended grantee's financial and program information; and evaluates the advice of donors against the standards and criteria set forth in the Foundation's Operating Guidelines to ensure that such advice is consistent with specific charitable needs identified by the Foundation as deserving of support and complies with all applicable federal tax requirements.

In all cases of two or more advisors, the advisors shall appoint a chairperson and all communications concerning grant recommendations to and from Seattle Foundation will be through the chairperson. In any case where multiple advisors make conflicting recommendations regarding distributions from the fund that cannot be promptly resolved, the Foundation may independently initiate distributions from the fund. In addition, if the advisor(s) fails to make a standing distribution recommendation, or

# Planned Giving

fails to make any distribution recommendations for two consecutive years, the Foundation will contact the advisor(s) to discuss this situation (see “Inactive Funds” section for more details).

**APPOINTMENT OF ADDITIONAL ADVISORS.** All requests to appoint additional advisors and successor advisors to an advised fund must be communicated to the Foundation in writing by the donor(s) establishing the fund or by the authorized successor advisor(s). If upon the death, resignation or incapacity of an advised fund’s donor(s), the Foundation has not received in writing the names of an additional advisor(s) or successor advisor(s) to the fund or a recommended future plan for the fund, the Foundation will use the fund’s balance to support the Seattle Foundation’s unrestricted Community Impact Fund.

*Donor Advised Funds established by corporations, rather than by individuals, are often advised by an appointed committee with a process for selecting new members. Any changes in advisors to the fund must be made in writing by an officer or authorized representative of the corporation that established the fund.*

**SCHOLARSHIP FUNDS.** Donors may establish a fund for the purpose of making grants to be used exclusively for tuition and fees at accredited educational institutions (a “Scholarship Fund”). All scholarship funds shall be administered by the Foundation in accordance with its “Scholarship Guidelines and Procedures” as may be amended from time to time and applicable federal tax laws.

**INACTIVE FUNDS.** In order to carry out its policy of consistently distributing charitable dollars to the community, the Foundation will review periodically the grantmaking activity of every advised fund. If a fund has failed to make distributions commensurate in size with the Foundation’s spending policy over a two-year period, the Foundation will contact the advisor(s) to discuss this situation. At that time, the advisor(s) will be given the following options to continue the fund:

- *Provide a plan for funding a specific charitable project that requires an accumulation of resources for more than a two-year period.*
- *Resume making ongoing grant recommendations.*

If the advisor(s) do not have a plan for funding a specific project and do not want to make ongoing grant recommendations, then the advisor(s) will be given the following options to close the fund:

- *Recommend that the balance of the fund be granted to one or more Section 501(c)(3) public charities of their choice.*
- *Recommend that the balance of the fund be used to support Seattle Foundation’s unrestricted Community Impact Fund or to one or more of the Foundation’s Healthy Community Funds, to be distributed by the Foundation to meet the most pressing needs of the community.*

**In the event that the advisor(s) cannot be located or is(are) unresponsive, the balance of the fund will be used to support Seattle Foundation’s Community Impact Fund.**

# Exhibit E

## Yes for Transit

TO: Tony Mestres  
FROM: Policy Table  
DATE: 9/30/20  
SUBJECT: Fall 2020 Ballot Initiatives

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### Introduction

This fall brings an important ballot issue to voters, Yes for Transit or Proposition 1. Community support for Proposition 1 is led by Seattle Foundation Climate Justice Impact Strategy grantee Transportation Choices Coalition. Seattle Foundation leadership has been approached with a request to lend our resources and voice to these ballot measures. This memo provides background and recommended positions on both of these measures.

Seattle Foundation uses a Positions Matrix to guide the use of our voice and endorsements in the civic realm. The recommendations in this memo align with the board approved Positions Matrix. Seattle Foundation utilizes a positions framework to guide our decisions on endorsements and initiative campaign contributions. Yes for Transit/Proposition 1, an initiative focusing on funding adequate, reliable and equitable public transportation aligns with our Climate Justice Impact Strategy

## Yes for Transit – Proposition 1

### Background

Proposition 1 is the renewal of the Seattle Transportation Benefit District (STBD), originally passed in 2014. The original measure expires this year, the current Yes for Transit proposal is a replacement for the expiring funding for STBD. The original funding measure included a \$60 vehicle license fee and 0.1% sales tax increase to generate about \$50 million annually to improve transit availability and access for 6 years (2014-2020). Proposition 1, if passed, would generate between \$20-\$30 million annually over the next six years to fund essential transit service, capital projects, and transit access programs including ORCA in the City of Seattle (including routes where at least 65% of the stops are within the city).

While transit ridership is currently down due to COVID-19, our bus service has been critical in reducing the percentage of commuters driving alone into downtown. In 2014, when the STBD was passed, 31% of commuters were driving alone into downtown, compared to 26% of commuters in 2019<sup>i</sup>.

### Implications

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While the pandemic has impacted overall ridership, communities most in need continue to rely on public transit. Route, 7, which travels from South Seattle and Rainier Valley into downtown has the second highest retained ridership rate, with trips at 66% of pre-pandemic levels<sup>ii</sup>. Route 180, which runs between Kent and Burien maintains a 74% ridership rate.

Transit infrastructure, particularly buses, continue to be crucial for essential workers who are utilizing transit to commute to and from employment. The Seattle Metro area has over 366,000 essential workers, including transit drivers, grocery workers, health care professionals, and child care providers<sup>iii</sup>. We need to continue investing in transit so that those who are transit reliant can continue to work and attend necessary appointments during and after the COVID-19 pandemic.

With the passage of Initiative 976 (which significantly constrains the tools government agencies have available to fund transit) in 2019, cities lost the ability to utilize car tabs as a source of income to support local transportation benefit districts. Despite the fact 976 passed statewide, 76% of Seattle voters voted no on the initiative, and voted to protect our local and statewide transit infrastructure needs. While I-976 is still moving through the courts, the legislation to fund Yes for Transit relies on increasing the current .1% sales tax to .15% or .15 cents on a \$100 purchase. Funding is anticipated to raise \$39 million annually over 6 years.

Funding from Proposition 1 will support:

- Maintaining transit service and access for Seattle neighborhoods, students, and low-income residents.
- Supporting emerging mobility needs for the COVID-19 recovery
- Supporting the Reconnect West Seattle strategy to mitigate the ongoing closure of the West Seattle Bridge
- Continuing programs that increase transit access for low-income residents, seniors, and students.

## Yes on Proposition 1 - Supporters

The campaign publicly launched on 9/22, and many organizations still have this opportunity under consideration at their board level. To date, the following organizations have endorsed.

- Downtown Seattle Association
- Seattle Metropolitan Chamber of Commerce
- Asian Counseling and Referral Services
- Casa Latina
- Climate Solutions (Climate Justice Impact Strategy grantee)
- Earth Ministry/Washington Interfaith Power & Light
- Futurewise
- Greater Seattle Business Association: Washington's LGBTQ Chapter
- King County Housing Development Consortium
- MLK Labor Council
- Puget Sound Sage (Climate Justice Impact Strategy grantee)
- Mobility Rights Initiative - Disability Rights Washington
- Seattle/King County Coalition on Homelessness
- Sound Generations
- Teamsters 117
- Transportation Choices Coalition (Climate Justice Impact Strategy grantee)



- Washington Physicians for Social Responsibility

## **Yes Proposition 1 – Opposition**

No organizations have submitted a statement of opposition for the 2020 Voters Guide. Opposition to the transit initiative may materialize in the next few weeks, but is not likely to be strongly organized.

## **Input from Philanthropic Services' perspective**

Seattle Foundation's Donor Base should endorse, support and champion Proposition 1. This is an opportunity to alleviate the negative impacts from Covid-19 on the service workers, which are the lifeline of the downtown economy and the lifeline to their own families, economies, and their communities. The people most affected by the lack of public transportation are the people who have been the most impacted by the pandemic, BIPOC communities.

The challenge: To preserve and sustain essential transportation services so those who are feeling the impacts of the pandemic have a lifeline to jobs, medical care, and education. Tens of thousands service workers in the downtown core depend on public transportation to commute to work.

Opportunity: Supporting Proposition 1 will fund public transportation infrastructure and deliver reliable public transportation for thousands of people in the Seattle core. Revenue generated allows the Seattle economy to begin the journey toward economic recovery by providing the service industry a reliable and accessible method of transportation to and from work. It gives all citizens access to the vital services like medical and social services. Additional resources will ensure that essential workers, seniors, and students continue to receive access to reliable transportation.

## **Input from Marketing and Communication's perspective**

Seattle Foundation should join other civic leaders and grantee partners in encouraging our Executive Committee to endorse Yes on Proposition 1. Prior to the COVID-19 pandemic, we know that transit was the most frequently utilized mode of transport for nearly half of all downtown employees – especially during peak commute hours. While we know that bus ridership has been affected due to COVID, experts also believe that it will rebound as employees begin to integrate back into the office setting. In addition, we will need to maintain transit hours if we are going to support a full economic recovery of our city and region. Renewing the STBD ensures constant transit service for years to come. Truth of the matter is that many essential workers are still relying on transit to get around the city and region. Funding for reliable transit support our pillar of an Equitable Economy, and is even more important now – as we think about what economic recovery looks like during and post COVID-19. This will ensure that those who already face challenges around affordability have the transit access they need, and also meets emerging service needs.

As Seattle Foundation always does when we consider taking a public stance on a policy issue, we should consider how we frame WHY we are lending our voice in support of this campaign. Talking points from partners are helpful to frame our stance, but I always think it's helpful for us to contextualize it within Seattle Foundation's mission, vision and strategy. As we consider sharing our endorsement on social media and potentially in other public arenas, I would like us to consider the unique messaging to why we have decided to lend our name to the list of endorsers.



## Input from Senior Advisor Racial Equity's perspective

Senior Advisor, Racial Equity supports the recommendation.

Passage of Proposition 1 will result in outcomes that are more racially equitable than if the proposition is defeated, in terms of the implications described above. The projection of racially equitable outcomes is based on the knowledge that people of color are overrepresented among transit riders, among essential workers, and among low-income transit-dependent residents. Defeat of Proposition 1 would have a disproportionately negative impact on people of color.

## Recommendation

- Endorse Yes on Proposition 1 Campaign.
- Invest in critical organizing and messaging led by existing Seattle Foundation partners. We recommend Seattle Foundation make a \$50k gift to support the success of the campaign efforts. This gift will come from existing Climate Justice funds dedicated to climate policy.
- Begin a deeper engagement with the campaign to learn what kinds of non-financial support they may need, including blog post and social media messaging around our support and investment.
- Share and elevate the perspective of Yes for Transit supports on social media.

## Language for a Motion

*I move to approve Seattle Foundation publicly supporting Proposition 1, as well as providing financial support to the campaign*

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<sup>i</sup> <https://sdotblog.seattle.gov/2020/07/07/mayor-durkan-announces-six-year-seattle-transportation-benefit-district-proposal-to-aid-in-equitable-covid-19-recovery/>

<sup>ii</sup> <https://kingcountymetro.blog/2020/08/07/covid-19-update-summer-ridership-remains-steady-masks-required-when-riding-transit/>

<sup>iii</sup> <https://www.seattletimes.com/seattle-news/data/women-on-the-front-lines-nearly-2-3-of-seattle-area-essential-workers-are-female/>

# Exhibit F

## Executive Committee Meeting Minutes

Board Members in attendance: Ed Taylor, Vice Chair; Steve Hill; Janet Levinger; Scott Shapiro; Kelley Hall

Staff in attendance: Tony Mestres  
Michele Frix  
Kris Hermanns  
Sally Gillis  
Aaron Robertson  
Dionne Foster  
Nancy Saelee  
Brett Prather

Date: 10/15/2020

Time: 12:00-12:30pm

Location: Virtual

### **Votes Taken:**

- Approved Seattle Foundation publicly supporting Proposition 1, as well as providing \$50,000 in financial support to the campaign

### **Materials Presented:**

- Prop 1 Fall 2020 SeaFdn Positions Memo FINAL 2020-1010

### **Welcome & Call to Order:**

Dr. Ed Taylor called the meeting to order at 12:04pm. He thanked the Committee for joining on short notice, and then turned it over to staff to guide the discussion.

### **Proposition 1**

Staff outlined the included memorandum on Proposition 1. They shared that the ballot measure was a renewal of the Seattle Transportation Benefit District that had passed in 2014. They indicated that the measure would generate between \$20-\$30 million annually over the next six years to fund essential transit service. They further stressed the importance of this transit service for those communities most in need, pointing to the still-high rates of ridership from South Seattle and Rainier Valley into downtown Seattle, as well as between Kent and Burien. Although all rates had seen a decrease in ridership during the pandemic, they explained, these routes were still close to their pre-pandemic levels, representing frontline and essential workers that were reliant on public transit.

Staff indicated the passage of Initiative 976 (I-976), although still working its way through the courts, could significantly reduce the amount of funding available for these services and also might eliminate the potential of relying on car tabs as a source of revenue to support transportation needs. They shared that, for that reason, Proposition 1 would be funded by increasing the .1 percent sales to .15 percent.

Staff noted that there were many supporters of Proposition 1, including many community partners with which the foundation worked. They also noted that there had been no formal opposition to Proposition 1

to date. Finally, they shared that the Philanthropic Services team, Marketing & Communications team, and Senior Advisor for Racial Equity had all recommended the foundation provide its support as well.

Committee Members asked whether staff had any concerns with the fact that it was a regressive sales tax that would fund the transportation benefit. Staff agreed that was not ideal, although noted that especially after I-976 and other state decisions, the City had very few levers it could pull to generate revenue. Given the lack of alternatives, they indicated that it was one of the few options available, and expressed that it was still well worth supporting.

Committee Members also asked about the geographic limitations of the resources being provided, since the funding was coming from the City of Seattle. They wondered if staff was worried about broader public transit service across the County. Staff indicated that they shared the concern about broader public transit service across the region, but also noted that many of the routes that would be supported by Proposition 1 went well beyond the City of Seattle's boundaries, reaching many communities that would need it.

Additionally, Committee members asked whether the decision by the Washington State Supreme Court, announced earlier in the day, would affect staff's recommendation on Proposition 1. Staff indicated that it did not, both because there was still lots of uncertainty about what would ultimately happen with I-976 and because the resources could still be effectively deployed.

Finally, Committee members asked about the timing of staff asking for support from the Executive Committee. They noted that the election was imminent and were worried that the resources the foundation provided might not be utilized effectively. They expressed their hope that staff might be able to bring these issues to the Executive Committee earlier, so that the foundation could be as effective as possible in its advocacy. Staff agreed that they hoped to accelerate the timing of consideration of ballot measures by the Executive Committee. They also noted, though, that the campaign in support of Proposition 1 had only launched on September 22<sup>nd</sup>. They further indicated that they had coordinated with the campaign and had confirmed that so long as the resources were received within the next few days, they could be effectively deployed.

At that, the Vice Chair called for a motion. After motion made and seconded, the Committee approved, by unanimous voice vote, Seattle Foundation publicly supporting Proposition 1 and providing \$50,000 to the Yes on 1 campaign.

Staff thanked the Committee for the support. There being no further business, the Committee meeting was adjourned.

Respectfully submitted,

Brett Prather, Board Secretary

**Seattle Foundation: PDC Case 92059**  
**October 29, 2021: Email response from Rob Maguire (Copied from Freshdesk)**

We have been able to pull together the additional information requested. I've reprinted the questions below with the corresponding answers.

1. Was the \$50,000 contribution made by the Civic Leadership Fund in 2020, solicited by or on behalf of a member of the Transportation Choices Coalition, or did the solicitation come from the Yes for Transit ballot measure committee?

The \$50,000 contribution to Yes for Transit from the Civic Leadership Fund was not solicited. Seattle Foundation has ongoing relationships with community organizers in this arena and monitored the landscape looking for opportunities to invest in policy efforts that align with impact strategy priorities. Community organizers, including Transportation Choices Coalition, encouraged Seattle Foundation to consider supporting the ballot measure by, for example, endorsing the measure. The decision to make a contribution from the Civic Leadership Fund, however, was made internally based on the recommendations reflected in the documents previously produced to the PDC.

2. In addition to the \$50,000 monetary contribution made by the Civic Leadership Fund in 2020 to Mass Transit, please indicate the total funds disbursed from the Civic Leadership Fund in calendar year 2020, and examples of some of the other expenditures or disbursements made from the fund in 2020.

The Civic Leadership Fund supports research, pilot projects, and direct policy work that is aligned with Seattle Foundation's policy priorities in advancing racial and economic equity through systems change. In 2020, \$150,000 was budgeted for the Civic Leadership Fund and related activities. Allocation of resources in alignment with stated impact goals is decided judiciously and intentionally. Funds budgeted are not necessarily spent. Because there were no other policy actions aligning with the impact goals in 2020, mostly due to the pandemic, the Civic Leadership Fund did not expend its full budgeted allocation. Rather, in 2020, the other grant from the Civic Leadership Fund was awarded to Byrd Barr Place for \$8,000. This grant was in support of the Black-led Organizational Research Project, titled "The Case for Investing in King County's Black-Led Organizations." This research consisted of surveying 41 Black-led organizations and interviewed 18 Black nonprofit leaders to learn about their priority issues, along with their self-identified strengths, funding challenges, and other vital information.

For more context, we are providing a list below of Civic Leadership Fund expenditures from 2019 through the present. In the course of investigating these issues, we identified the last expenditure on the list below, in 2021, is to a political committee named Best Starts for Kids Campaign. Although outside of the scope of the PDC's inquiry, we thought it important to affirmatively disclose this 2021 activity now that Seattle Foundation is aware of the incidental committee issues. Seattle Foundation anticipates that whatever resolution is reached with the PDC concerning the 2020 activity will similarly apply to the 2021 activity (e.g., the Civic Leadership Fund registering as an incidental committee for 2020 and 2021) and wanted to be transparent with the PDC about this information.

GRANTEE	DATE	AMOUNT
Administrative Fund of SeaFdn	6/18/2019	\$240,000.00
Central District Forum for Arts & Ideas	6/25/2019	\$15,000.00
Community Passageways	6/25/2019	\$15,000.00
Northwest African American Museum	6/25/2019	\$15,000.00
Not This Time	6/25/2019	\$15,000.00
Rainier Valley Corps	6/25/2019	\$15,000.00
Pan African Center for Empowerment	6/25/2019	\$15,000.00
The Urban League of Metropolitan Seattle	6/25/2019	\$15,000.00
The Village of Hope	6/25/2019	\$15,000.00
Northwest Film Forum	6/25/2019	\$15,000.00

Rainier Valley Corps	6/25/2019	\$15,000.00
University of Washington	8/13/2019	\$54,825.00
Byrd Barr Place	3/9/2020	\$8,000.00
Yes for Transit 2020	10/16/2020	\$50,000.00
Open Doors for Multicultural Families	7/12/2021	\$176,238.00
Best Starts for Kids Campaign	7/12/2021	\$40,000.00

Please let me know if you would like to discuss any of this information. Seattle Foundation is very much interested in staff's guidance on a clear and actionable course of action or structure that would avoid any future issues concerning ballot measure contributions, if any, made from the Civic Leadership Fund.

Thanks.

**Rob Maguire** | Davis Wright Tremaine LLP  
 920 Fifth Avenue, Suite 3300 | Seattle, WA 98104  
 Tel: (206) 757-8094 | Fax: (206) 757-7094  
 Email: [robmaguire@dwt.com](mailto:robmaguire@dwt.com) | Website: [www.dwt.com](http://www.dwt.com)

December 9, 2021

Kurt Young  
Compliance Officer  
Washington Public Disclosure Commission  
711 Capital Way S., Suite 206  
Olympia, WA 98501

Re: Seattle Foundation – PDC Case Number 92059

Dear Mr. Young:

Seattle Foundation assembled information and created the charts below in response to the PDC's most recent request for information concerning: (1) the Climate Justice Area of Interest Fund contribution in 2019 of \$50,000 to Keep Washington Rolling; (2) the Catalyzing Community Area of Interest Impact Fund contribution in 2019 of \$50,000 to WA Fairness Coalition; and (3) the Civic Leadership Area of Interest Fund's 2021 activities. As previously discussed, Seattle Foundation is a charitable organization with a great deal of complexity. These Area of Interest Funds and the expenditures represent a tiny fraction of Seattle Foundation's overall funds and grant-making activities.

(1) The Climate Justice Fund – 2019

The Climate Justice Fund was created in 2019 to develop long-term strategies and partnerships addressing and decreasing the harm low-income people and communities of color experience from climate change. The fund invests in community-based research, builds coalitions bridging social and environmental justice, and strengthens the capacity of nonprofits working to advance climate solutions. The Climate Justice Fund exists to align philanthropic efforts increasing climate justice for the most vulnerable communities.

Except for \$265 in online contributions received in 2019 after the expenditure to keep Washington Rolling, seed funding for the Climate Justice Fund came from existing Seattle Foundation funds—all of which were created pre-2019<sup>1</sup>—as set forth below:<sup>2</sup>

<b>2019 Funding for Climate Justice</b>	<b>Amount</b>	<b>#</b>	<b>Average</b>
Start Balance at 1/1/2019	<b>\$0</b>		
Interfund DAF Transfers <sup>3</sup>	\$54,500	8	\$6,813
Interfund Transfer from Area of Interest Funds	\$554,000	1	\$554,000
<b>Subtotal at 10/18 (Date of Political Contribution)</b>	<b>\$608,500</b>		
Online Giving post 10/18	\$265	3	\$88
Interfund DAF Transfer post 10/18	\$199,750	10	\$19,975
Interfund Transfer of Unrestricted 2017 Bequest post 10/18	\$150,000	1	\$150,000

During 2019, the Climate Justice Fund made the following grants to the community:

<b>Climate Justice Disbursements</b>	<b>Transaction Date</b>	<b>Amount</b>
<b>2019</b>		<b>610,000</b>
<b>Grants</b>		
Latino Community Fun	9/3/2019	25,000
OneAmerica	10/14/2019	10,000
Keep Washington Rolling	10/18/2019	50,000
350 Seattle	12/17/2019	50,000
Center for Diversity	12/17/2019	25,000
Clean Energy Transit	12/17/2019	25,000
Climate Solutions	12/17/2019	25,000
Duwamish River Clean	12/17/2019	75,000
Got Green	12/17/2019	50,000
Na'ah Illahee	12/17/2019	75,000
Puget Sound Sage	12/17/2019	50,000
Transportation Choices	12/17/2019	75,000
Washington Environmental Council	12/17/2019	50,000
Transportation Choices	12/21/2019	25,000

<sup>1</sup> Indeed, the source funds for the interfund transfers, which were largely family charitable and foundation funds, were created between 1993 and 2017, predating by years the formation of the Climate Justice Fund.

<sup>2</sup> Seattle Foundation's previous description of funds received reflected contributions from DAFs and did not include transfers from other Area of Interest and Community Funds.

<sup>3</sup> As previously discussed, individuals who create DAFs have no advisory power or influence concerning grants or expenditures from Area of Interest Funds.



(2) The Catalyzing Community Impact Fund – 2019

The [Catalyzing Community Impact Fund](#) was created in 2019 to develop long-term strategies and partnerships empowering people in the places where they live by increasing civic participation, community leadership, and community organizing capacity. The Catalyzing Community Impact Fund particularly focuses on where racial and economic inequities are most profound to empower underrepresented communities to create and implement strategies that will remove barriers to power and decision making.

Except for \$5 in online contributions received in 2019, seed funding for the Catalyzing Community Impact Fund came from existing Seattle Foundation funds—all of which were created pre-2019<sup>4</sup>—as set forth below:

2019 Funding for Catalyzing Community Impact	Amount	#	Average
Start Balance at 1/1/2019	\$0		
Online Giving	\$5	1	\$5
Interfund DAF Transfers <sup>5</sup>	\$47,000	5	\$9,400
Interfund Transfer from Area of Interest Fund	\$58,995	1	\$58,995 <sup>6</sup>
<b>Subtotal at 10/18 (Date of Political Contribution)</b>	<b>\$106,000</b>		
Interfund DAF Transfer post 10/18	\$100,000	6	\$16,667
Interfund Transfer of Unrestricted Bequest received in 2017	\$150,000	1	\$150,000

During 2019, the Catalyzing Community Impact Fund made the following grants to the community:

Catalyzing Community Disbursements	Transaction Date	Amount
<b>2019</b>		<b>\$50,750</b>
<b>Grants</b>		
Eastside Pathways	10/8/19	\$250
India Association of Western WA	10/8/19	\$250
Latino Community Fund	10/8/19	\$250
WA Fairness Coalition	10/18/19	\$50,000

<sup>4</sup> Similar to the Climate Justice Fund, the interfund transfers received by the Catalyzing Community Impact Fund in 2019 were largely from family charitable and foundation funds which were created between 2003 and 2017, pre-dating by years the formation of the Catalyzing Community Impact Fund.

<sup>5</sup> As previously discussed, individuals who create DAFs have no advisory power or influence concerning grants or expenditures from Area of Interest Funds.

<sup>6</sup> Seattle Foundation's previous description of funds received reflected contributions from Donor Advised Funds or "DAFs" and did not include transfers from other Area of Interest and Community Funds.

Kurt Young  
December 9, 2021  
Page 4

(3) The Civic Leadership Fund – 2021

Please note that the Civic Leadership fund has paused all grant-making until the incidental committee registration and reporting issue is resolved with the PDC. As a result, there have been no new expenditures since our previous correspondence. The 2021 funding sources for the Civic Leadership Fund are set forth below:

2021 Funding for Civic Leadership Fund	Amount	#	Average
Interfund Transfer (Interest from pre-existing funds Area of Interest and Community Funds)	\$150,000	1	\$150,000
DAF Grant Transfers	\$2,000	1	\$2,000
New Gifts through Website	\$9,754	41	\$238

Seattle Foundation looks forward to resolving this issue and discussing a path forward.

Sincerely,

Davis Wright Tremaine LLP



Robert J. Maguire

cc: Alyssa Farber, Seattle Foundation

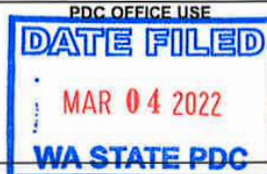
<b>PUBLIC DISCLOSURE COMMISSION</b>  711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828		<h2 style="margin: 0;">Incidental Committee Registration</h2>		<b>C1ic</b> <small>(1/20)</small>	<div style="border: 2px solid blue; padding: 5px; color: blue; font-weight: bold;">DATE FILED</div> <div style="color: red; font-weight: bold; font-size: 1.2em;">MAR 04 2022</div> <div style="color: blue; font-weight: bold;">WA STATE PDC</div>
Committee Name  Seattle Foundation through the Catalyzing Community Impact Fund				Email: info@seattlefoundation.org	
Mailing Address 1601 Fifth Ave, Suite 1900				Telephone: (206 ) 622-2294  Acronym: CLCCIS	
City Seattle	County King	Zip + 4 98101-3615	NEW OR AMENDED REGISTRATION? <input checked="" type="checkbox"/> NEW. Complete entire form. <input type="checkbox"/> AMENDS previous report. Complete entire form.		
1. Candidate(s) or political committee(s) which the incidental committee is supporting or opposing:					
Candidate/ Political (e.g. ballot measure) Committee	Office Sought/ Committee Address	Party affiliation/ Ballot Proposition No.	Check Support or Oppose		
WA Fairness Coalition	220 S River St Ste 202, Seattle 98108	R-88	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Continued on attached sheet.					
2. Related or affiliated incidental and political committees. List name, address, and relationship. Seattle Foundation through the Climate Justice Impact Fund					
<input type="checkbox"/> Continued on attached sheet.					
3. Committee Officers. If the committee has no officers, the name of any responsible leaders and the committee's treasurer should be listed. Report name, title, and address.					
Kris Hermans	CIO	1601 Fifth Ave, Suite 1900, Seattle WA			
Josephine Wong	CFOO	1601 Fifth Ave, Suite 1900, Seattle WA			
<input type="checkbox"/> Continued on attached sheet.					
4. <b>Signature and Certification.</b> I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days. Please consult a lawyer or the IRS about tax-exempt status and what is allowable political activity.					
Committee Officer's or Leader's Signature  				Date  3/3/2022	
Seattle Foundation KH (Mar 3, 2022 10:58 HST)					



PUBLIC DISCLOSURE COMMISSION  
711 CAPITOL WAY RM 206  
PO BOX 40908  
OLYMPIA WA 98504-0908  
(360) 753-1111  
TOLL FREE 1-877-601-2828

**Incidental Committee  
Payments and Political  
Expenditures Report**

**C8**  
(2/2020)



Name of Incidental Committee  
Seattle Foundation through the Catalyzing Community Impact Fund

Attention (Identify person to whom inquiries about the report should be directed.)  
Robert Maguire

Email  
robmaguire@dwt.com

Mailing Address  
920 Fifth Ave, Suite 3300, Seattle WA

Telephone  
(206)757-7094

City State  
Seattle WA

Zip + 4  
98104-1610

Reporting From (last C-8) To (end of period)  
Period 1/1/2019 12/31/2019  
Covered

2. Top ten largest sources of payments (monetary transfers or dollar value of services provided as in-kind) of \$10,000 or more to Incidental Committee during the current calendar year, if changed since last C-8 report. Include sources tied as the tenth largest, if any.

<u>Name of Person or Organization Making Payment</u>	<u>Amount</u>	<u>Description, if in-kind payment</u>
Sheba Cyrus Brandi Hope Charitable Fund	\$30,000.00	
Evergreen Fund	\$10,000.00	
The Grace Wilson/Elliot Wilson Fund	\$15,000.00	
The Grace Wilson/Evan Wilson Fund	\$30,000.00	
Northwest Rhodes Fund	\$50,000.00	
Olga McEwing Community Fund	\$150,000.00	
Seattle Foundation's Communities of Opportunity Fund	\$58,995.00	
<input type="checkbox"/> Continued on attached sheet.		

3. Monetary or In-kind contributions from Incidental Committee to a candidate or political committee during the reporting period.

<u>Name of Recipient Candidate or Political (e.g. ballot measure) Committee</u>	<u>Amount</u>	<u>Date and Description, if in-kind contribution</u>
WA Fairness Coalition	\$50,000.00	10/18/2019
<input type="checkbox"/> Continued on attached sheet.		

**Certification:** I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days.



Printed Name and Title of Officer or Leader:  
Kris Hermanns, Chief Impact Officer



Signature of Officer or Leader

Date  
3/3/2022

  
Seattle Foundation KH (Mar 3, 2022 10:31 HST)

<b>PUBLIC DISCLOSURE COMMISSION</b>  711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828		<h2 style="margin: 0;">Incidental Committee Registration</h2>		<h1 style="margin: 0;">C1ic</h1> <p style="font-size: small;">(1/20)</p>		<div style="border: 2px solid blue; padding: 5px; display: inline-block;"> <b>DATE FILED</b>  <b>WA STATE PDC</b>  <b>MAR 04 2022</b> </div>	
Committee Name  Seattle Foundation through the Civic Leadership Fund				Email: info@seattlefoundation.org			
Mailing Address 1601 Fifth Ave, Suite 1900				Telephone: (206 ) 622-2294			
City Seattle				County King			
Zip + 4 98101-3615		NEW OR AMENDED REGISTRATION? <input checked="" type="checkbox"/> NEW. Complete entire form. <input type="checkbox"/> AMENDS previous report. Complete entire form.					
1. Candidate(s) or political committee(s) which the incidental committee is supporting or opposing:							
Candidate/ Political (e.g. ballot measure) Committee	Office Sought/ Committee Address	Party affiliation/ Ballot Proposition No.	Check Support or Oppose				
Yes for Transit 2020	401 2nd Ave S Ste 303 Seattle, WA 98104	Prop 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
			<input type="checkbox"/>	<input type="checkbox"/>			
			<input type="checkbox"/>	<input type="checkbox"/>			
			<input type="checkbox"/>	<input type="checkbox"/>			
			<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/> Continued on attached sheet.							
2. Related or affiliated incidental and political committees. List name, address, and relationship.							
<input type="checkbox"/> Continued on attached sheet.							
3. Committee Officers. If the committee has no officers, the name of any responsible leaders and the committee's treasurer should be listed. Report name, title, and address.							
Kris Hermans	CIO	1601 Fifth Ave, Suite 1900, Seattle WA					
Josephine Wong	CFOO	1601 Fifth Ave, Suite 1900, Seattle WA					
<input type="checkbox"/> Continued on attached sheet.							
4. <b>Signature and Certification.</b> I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days. Please consult a lawyer or the IRS about tax-exempt status and what is allowable political activity.							
Committee Officer's or Leader's Signature 				Date 3/3/2022			

<b>PUBLIC DISCLOSURE COMMISSION</b>  711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828	<h2 style="margin: 0;">Incidental Committee Registration</h2>	<b>C1ic</b> <small>(1/20)</small>	<div style="border: 2px solid blue; padding: 5px; color: blue; font-weight: bold;">             DATE FILED              MAR 04 2022              WA STATE PDC           </div>
Committee Name  Seattle Foundation through the Civic Leadership Fund		Email: info@seattlefoundation.org	
Mailing Address 1601 Fifth Ave, Suite 1900		Telephone: (206 ) 622-2294  Acronym: CLCLF	
City Seattle	County King	Zip + 4 98101-3615	NEW OR AMENDED REGISTRATION? <input type="checkbox"/> NEW. Complete entire form. <input checked="" type="checkbox"/> AMENDS previous report. Complete entire form.
1. Candidate(s) or political committee(s) which the incidental committee is supporting or opposing:			
Candidate/ Political (e.g. ballot measure) Committee	Office Sought/ Committee Address	Party affiliation/ Ballot Proposition No.	Check Support or Oppose
Best Start for Kids	401 5th Ave., Suite 500 Seattle, WA 9810	Prop 1	<input checked="" type="checkbox"/> <input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Continued on attached sheet.			
2. Related or affiliated incidental and political committees. List name, address, and relationship.			
<input type="checkbox"/> Continued on attached sheet.			
3. Committee Officers. If the committee has no officers, the name of any responsible leaders and the committee's treasurer should be listed. Report name, title, and address.			
Kris Hermans	CIO	1601 Fifth Ave, Suite 1900, Seattle WA	
Josephine Wong	CFOO	1601 Fifth Ave, Suite 1900, Seattle WA	
<input type="checkbox"/> Continued on attached sheet.			
4. <b>Signature and Certification.</b> I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days. Please consult a lawyer or the IRS about tax-exempt status and what is allowable political activity.			
Committee Officer's or Leader's Signature  <small>Seattle Foundation KH (Mar 3, 2022 10:55 HS)</small>		Date 3/3/2022	

 <div>PUBLIC DISCLOSURE COMMISSION 711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 TOLL FREE 1-877-601-2828</div>		<b>Incidental Committee Payments and Political Expenditures Report</b>	<b>C8</b> <small>(2/2020)</small>	<div>PDC OFFICE USE</div> <div>DATE FILED</div> <div>MAR 04 2022</div> <div>WA STATE PDC</div>
Name of Incidental Committee Seattle Foundation through the Civic Leadership Fund				
Attention (Identify person to whom inquiries about the report should be directed.) Robert Maguire			Email robmaguire@dwt.com	
Mailing Address 920 Fifth Ave, Suite 3300, Seattle WA			Telephone (206)757-7094	
City Seattle	State WA	Zip + 4 98104-1610		
Reporting Period Covered	From (last C-8) 1/1/2021	To (end of period) 12/31/2021		
2. Top ten largest sources of payments (monetary transfers or dollar value of services provided as in-kind) of \$10,000 or more to Incidental Committee during the current calendar year, <u>if changed since last C-8 report</u> . Include sources tied as the tenth largest, if any.				
<u>Name of Person or Organization Making Payment</u>		<u>Amount</u>	<u>Description, if in-kind payment</u>	
Seattle Foundation's Center for Community Programs Fund		\$150,000.		
<input type="checkbox"/> Continued on attached sheet.				
3. Monetary or In-kind contributions from Incidental Committee to a candidate or political committee during the reporting period.				
<u>Name of Recipient Candidate or Political (e.g. ballot measure) Committee</u>		<u>Amount</u>	<u>Date and Description, if in-kind contribution</u>	
Best Start for Kids		\$40,000.00	7/12/2021	
<input type="checkbox"/> Continued on attached sheet.				
<b>Certification:</b> I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days.		Signature of Officer or Leader  Seattle Foundation KH (Mar 3, 2022 10:52 HST)		
Printed Name and Title of Officer or Leader: Kris Hermanns, Chief Impact Officer		Date 3/3/2022		

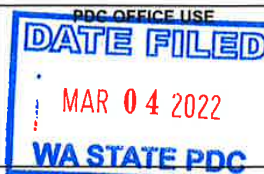




PUBLIC DISCLOSURE COMMISSION  
711 CAPITOL WAY RM 206  
PO BOX 40908  
OLYMPIA WA 98504-0908  
(360) 753-1111  
TOLL FREE 1-877-601-2828

# Incidental Committee Payments and Political Expenditures Report

**C8**  
(2/2020)



Name of Incidental Committee  
Seattle Foundation through the Civic Leadership Fund

Attention (Identify person to whom inquiries about the report should be directed.)  
Robert Maguire

Email  
robmaguire@dwt.com

Mailing Address  
920 Fifth Ave, Suite 3300, Seattle WA

Telephone  
(206)757-7094

City State  
Seattle WA

Zip + 4  
98104-1610

Reporting From (last C-8) To (end of period)  
Period 1/1/2020 12/31/2020  
Covered

2. Top ten largest sources of payments (monetary transfers or dollar value of services provided as in-kind) of \$10,000 or more to Incidental Committee during the current calendar year, if changed since last C-8 report. Include sources tied as the tenth largest, if any.

Name of Person or Organization Making Payment

Amount

Description, if in-kind payment

Brad Tilden

\$25,000.00

☐ Continued on attached sheet.

3. Monetary or In-kind contributions from Incidental Committee to a candidate or political committee during the reporting period.

Name of Recipient Candidate or Political (e.g. ballot measure)  
Committee

Amount

Date and Description, if in-kind contribution

Yes for Transit 2020

\$50,000.00

10/16/2020

☐ Continued on attached sheet.

**Certification:** I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days.

Printed Name and Title of Officer or Leader:  
Kris Hermanns, Chief Impact Officer

Signature of Officer or Leader

Date

3/3/2022

  
Seattle Foundation KH (Mar 3, 2022 10:53 HST)



<b>PUBLIC DISCLOSURE COMMISSION</b>  711 CAPITOL WAY RM 205 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828		<h2 style="margin: 0;">Incidental Committee Registration</h2>		<b>C1ic</b> <small>(1/20)</small>	<div style="border: 2px solid blue; padding: 5px; display: inline-block;"> <div style="display: flex; justify-content: space-between; font-size: 8px;"> <span>P M</span> <span>PDC OFFICE USE</span> </div> <div style="text-align: center; font-weight: bold; font-size: 12px;">DATE FILED</div> <div style="text-align: center; color: red; font-weight: bold; font-size: 14px;">MAR 04 2022</div> <div style="text-align: center; font-weight: bold; font-size: 10px;">WA STATE PDC</div> </div>
Committee Name  Seattle Foundation through the Climate Justice Impact Fund				Email: info@seattlefoundation.org	
Mailing Address 1601 Fifth Ave, Suite 1900				Telephone: (206 ) 622-2294  Acronym: CLCJIS	
City Seattle	County King	Zip + 4 98101-3615	NEW OR AMENDED REGISTRATION? <input checked="" type="checkbox"/> NEW. Complete entire form. <input type="checkbox"/> AMENDS previous report. Complete entire form.		
1. Candidate(s) or political committee(s) which the incidental committee is supporting or opposing:					
Candidate/ Political (e.g. ballot measure) Committee	Office Sought/ Committee Address	Party affiliation/ Ballot Proposition No.	Check Support or Oppose		
Keep Washington Rolling	PO BOX 2505, Seattle 98111	I-976	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Continued on attached sheet.					
2. Related or affiliated incidental and political committees. List name, address, and relationship. Seattle Foundation through the Catalyzing Community Impact Fund					
<input type="checkbox"/> Continued on attached sheet.					
3. Committee Officers. If the committee has no officers, the name of any responsible leaders and the committee's treasurer should be listed. Report name, title, and address.					
Kris Hermans	CIO	1601 Fifth Ave, Suite 1900, Seattle WA			
Josephine Wong	CFOO	1601 Fifth Ave, Suite 1900, Seattle WA			
<input type="checkbox"/> Continued on attached sheet.					
4. <b>Signature and Certification.</b> I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days. Please consult a lawyer or the IRS about tax-exempt status and what is allowable political activity.					
Committee Officer's or Leader's Signature  <small>Seattle Foundation KH (Mar 3, 2022 10:54 HST)</small>				Date  3/3/2022	



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# Incidental Committee Payments and Political Expenditures Report

**C8**  
(2/2020)



Name of Incidental Committee  
Seattle Foundation through the Climate Justice Impact Fund

Attention (Identify person to whom inquiries about the report should be directed.)  
Robert Maguire

Email  
robmaguire@dwt.com

Mailing Address  
920 Fifth Ave, Suite 3300, Seattle WA

Telephone  
(206)757-7094

City State  
Seattle WA

Zip + 4  
98104-1610

Reporting From (last C-8)  
Period 1/1/2019  
Covered

To (end of period)  
12/31/2019

2. Top ten largest sources of payments (monetary transfers or dollar value of services provided as in-kind) of \$10,000 or more to Incidental Committee during the current calendar year, if changed since last C-8 report. Include sources tied as the tenth largest, if any.

<u>Name of Person or Organization Making Payment</u>	<u>Amount</u>	<u>Description, if in-kind payment</u>
Sheba Cyrus Brandi Hope Charitable Fund	\$30,000.00	
The Savage Family Foundation	\$20,000.00	
Evergreen Fund	\$10,000.00	
The Grace Wilson/Elliot Wilson Fund	\$15,000.00	
The Grace Wilson/Evan Wilson Fund	\$30,000.00	
Northwest Rhodes Fund	\$50,000.00	
Olga McEwing Community Fund	\$150,000.00	
The Quincy Ells Fund	\$75,000.00	
Seattle Foundation's Communities of Opportunity Fund	\$554,000.00	

☐ Continued on attached sheet.

3. Monetary or In-kind contributions from Incidental Committee to a candidate or political committee during the reporting period.

<u>Name of Recipient Candidate or Political (e.g. ballot measure) Committee</u>	<u>Amount</u>	<u>Date and Description, if in-kind contribution</u>
Keeping Washington Rolling	\$50,000.00	10/18/2019

☐ Continued on attached sheet.

**Certification:** I certify that this report is true, complete and correct to the best of my knowledge. I acknowledge that the email address herein constitutes the official address for purposes of all communications with the Commission, and that I must notify the Commission of any change to that address within ten days.

Printed Name and Title of Officer or Leader:

Kris Hermanns, Chief Impact Officer

Signature of Officer or Leader

Date

3/5/2022

Seattle Foundation KH (Mar 3, 2022 10:20 HST)