Form 1023

(Rev. April 1996)

Department of the Treesury
Internal Revenue Service

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

OMB No. 1545-0056

if exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 7 of the instructions.

					
Par	ldentification of Ap	plicant		-	
1a	Full name of organization (as	shown in organizing document)		2 Employer identification (If none, see page 2 of	number (EN)
	ichael G. Nicholas F	oundation		36 7331363	2.0 0.02 20110110.)
	c/o Name (if applicable) ichael G. Nicholas,	Trustee		3 Name and telephone to be contacted if add is needed	number of person titional information
	Address (number and street)	220000	Rccm/Suite	Timothy G. Carr	oll
	l168 Middlebury Lane		B-1	(312) 214–900	n
1d	City or town, state, and ZIP o	ode		4 Month the annual acco	
1	Wheeling, Illinois	60090	•	December	
	Date incorporated or formed 10/23/00	6 Activity codes (See page 3 of 006 040	the instructions.)	7 Check here if applying a 501(e) b	
	Did the organization previously other section of the Code? If "Yes," attach an explanation	y apply for recognition of exemp	otion under this C		☐ Yes ᡯ No
		file Form 990 (or Form 990-EZ) (see page 3 of the Specific Inst		🔼 N/A	Yes No
	DCCUMENTS TO THE APPLIC Pub. 557, Tax-Exempt Status Corporation—Attach a cop	organization. ATTACH A CONFICATION BEFORE MAILING. (See for Your Organization, for example of the Articles of Incorporation the appropriate state official; also	e Specific Instru amples of organiz on (including ame	ctions for Part I, Line 11, tational documents.) ndments and restatements	on page 3.) Get
ь (by of the Trust Indenture or Agre		•	and dates.
c (Association—Attach a cop	by of the Articles of Association, see instructions) or other evider y more than one person; also in	, Constitution, or	other creating document, ion was formed by adoption	with a
	If the organization is a corporati	ion or an unincorporated associa	tion that has not	yet adopted bylaws, check	here ▶ 🔲
		I am authorized to sign this application tachments, and to the best of my knowle			mined this application,
Pleas Sign	my ool D. M	Llie	Trustee		10/23/2001
Here	(Sign	ature)	(Title or aut	honty of signer)	(Date)

Part II Activities and Operational Information

1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

The Foundation is established to provide a vehicle for making grants to qualified charities, primarily for international mission work, and to make grants and loans to provide scholarships to Orthodox Christian children in third world countries who could otherwise not afford to attend primary or secondary school either because they are orphans or because they come from a very poor family. The general guidelines for scholarship grants and loans are set out on Schedule H hereof.

2 What are or will be the organization's sources of financial support? List in order of size.

Periodic contributions by the creator of the Foundation, and possibly others.

Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

No solitication of funds planned.

4	Give the following information about the organization's governing body:	
' - a	Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
	Michael G. Nicholas, trustee 1168 Middlebury Lane, Apt. B-1 Wheeling, IL 60090	
	Trustee	- 0 -
_		
С	Do any of the above persons serve as members of the governing body by reason of being public or being appointed by public officials?	officials ☐ Yes ☑ No
d	Are any members of the organization's governing body "disqualified persons" with respect organization (other than by reason of being a member of the governing body) or do any of the nave either a business or family relationship with "disqualified persons"? (See Specific Instruction Part II, Line 4d, on page 3.)	nembers tions for Yes No
5	Does the organization control or is it controlled by any other organization?	☐ Yes X No I special ☐ Yes X No
6	Does or will the organization directly or indirectly engage in any of the following transactions political organization or other exempt organization (other than a 501(c)(3) organization): (a) gran (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarante (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solid or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? If "Yes," explain fully and identify the other organizations involved.	ts; es;
	•	
7	Is the organization financially accountable to any other organization?	Yes 🖔 No

Par	Activities and Operational Information (Continued)
8	What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."
	N/A
9	Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years?
	Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement?
11 a	Is the organization a membership organization?
b	Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.
c	What benefits do (or will) the members receive in exchange for their payment of dues?
12a	If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them?
b	Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals?
13	Does or will the organization attempt to influence legislation?
14	Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements?

application.

Pa	tIII	Technical Requirements	
1	create	u filing Form 1023 within 15 months from the end of the month in which your organization was dor formed?	Yes No
2	if one to que	of the exceptions to the 15-month filing requirement shown below applies, check the appropriate stion 8.	box and proceed
	Excep	tions—You are not required to file an exemption application within 15 months if the organization:	
		Is a church, interchurch organization of local units of a church, a convention or association of chintegrated auxiliary of a church. See Specific Instructions, Line 2a, on page 4;	
		Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax	•
	<u> </u>	Is a subcrdinate organization covered by a group exemption letter, but only if the parent or super timely submitted a notice covering the subordinate.	visory organizatio
3	if the c	rganization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within this from the end of the month in which the organization was created or formed?	☐ Yes ☐ No
	if "Yes automa	"your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-2 C.B. 490, for an atic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.	
	If "No,"	answer question 4.	
4 .	file For	inswer "No" to question 3, has the organization been contacted by the IRS regarding its failure to m 1023 within 27 months from the end of the month in which the organization was created or ?	☐ Yes ☐ No
	If "No," good fa	your organization is requesting an extension of time to apply under the "reasonable action and aith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.	
	if "Yes,	answer question 5.	
5	If you	nswer "Yes" to question 4, does the organization wish to request relief from the 15-month filing	
J		nent?	☐ Yes ☐ No
		give the reasons for not filing this application prior to being contacted by the IRS. See Specific ions, Line 5, on page 4 before completing this item. Do not answer questions 6 and 7.	
	if "No,"	answer question 6.	
6	be reco want us organiz	nswer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can gnized only from the date this application is filed with your key District Director. Therefore, do you a to consider the application as a request for recognition of exemption as a section 501(c)(3) ation from the date the application is received and not retroactively to the date the organization atted or formed?	Yes No
7	with the	Inswer "Yes" to question 6 above and wish to request recognition of section $501(c)(4)$ status for the date the organization was formed and ending with the date the Form 1023 application was received organization's section $501(c)(3)$ status), check here $\triangleright \square$ and attach a completed page 1 or	eived (the effectiv

Form 10			Page
Part	3111	Technical Requirements (Continued)	
	 Ye	organization a private foundation? (Answer question 9.) (Answer question 10 and proceed as instructed.)	
		(
Ĺ	f you Ye:	answer "Yes" to question 8, does the organization claim to be a private opera (Complete Schedule E.)	ating foundation?
Δ	After	answering question 9 on this line, go to line 15 on page 7.	
T		RGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES As a church or a convention or association of churches	Sections 509(a)(1)
		(CHURCHES MUST COMPLETE SCHEDULE A.)	and 170(b)(1)(A)(i)
b		As a school (MUST COMPLETE SCHEDULE B.)	Sections 509(a)(1) and 170(b)(1)(A)(ii)
c		As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.)	Sections 509(a)(1) and 170(b)(1)(A)(iii)
d		As a governmental unit described in section 170(c)(1).	Sections 509(a)(1) and 170(b)(1)(A)(v)
Э		As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.)	Section 509(a)(3)
f		As being organized and operated exclusively for testing for public safety.	Section 509(a)(4)
g		As being operated for the benefit of a college or university that is owned or operated by a governmental unit.	Sections 509(a)(1) and 170(b)(1)(A)(iv)
h		As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.	Sections 509(a)(1) and 170(b)(1)(A)(vi)
i		As normally receiving not more than one-third of its support from	

If you checked one of the boxes a through f in question 10, go to question 15. If you checked box g in question 10, go to questions 12 and 13.

If you checked box h, i, or j, in question 10, go to question 11.

Section 509(a)(2)

Sections 509(a)(1)

and 170(b)(1)(A)(vi)

or Section 509(a)(2)

gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).

The organization is a publicly supported organization but is not sure

whether it meets the public support test of block h or block i. The

organization would like the IRS to decide the proper classification.

Form 1023 (R	lev. 4-96)
--------------	------------

Page 7

Fai	Technical Requirements (Continued)					
11 12	Yes—Indicate whether you are requesting: A definitive ruling (Answer questions 12 through 15.) An advance ruling (Answer questions 12 and 15 and attach two Forms 872-C completed and signed.) No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to tapplication.					
	snowing the name of the contributor; the date and the amount of the grant; and a brief description of the	nati	ure ·	of the grant.		
13	If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ▶ □ and:					
а	Enter 2% of line 8, column (e), Total, of Part IV-A.					
	Attach a list showing the name and amount contributed by each person (other than a governmental uni supported" organization) whose total gifts, grants, contributions, etc., were more than the amount enter above.	it or ' ed o	"put n lir	olicty ne 13a		
а	If you are requesting a definitive ruling under section 509(a)(2), check here \(\) and: For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see Specific Instructions, Part II, Line 4d, on page 3.) For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose,					
	"páyer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) a governmental agency or bureau.	and a	any			
15	Indicate if your organization is one of the following. If so, complete the required schedule. (Submit	es N	40	if "Yes," complete Schedule:		
	Is the organization a church?			Α		
	Is the organization, or any part of it, a school?			8		
	Is the organization, or any part of it, a hospital or medical research organization?			С		
	Is the organization a section 509(a)(3) supporting organization?			D		
	Is the organization a private operating foundation?	_		<u> </u>		
	Is the organization, or any part of it, a home for the aged or handicapped?			F		
	Is the organization, or any part of it, a child care organization?	$\frac{1}{2}$		G		
	Does the organization provide or administer any scholarship benefits, student aid, etc.?	4		Н		
	Has the organization taken over, or will it take over, the facilities of a "for profit" institution?					

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

	·		A. Statement	of Revenue and	d Expenses		
			Current tax year	3 prior tax yes	ars or proposed bu	dget for 2 years	
	1	Gifts, grants, and contributions received (not including unusual grants—see pages 5 and 6 of	(a) Fromto	(b) 19	(c) 19	(d) 19	(e) TOTAL
	1	the instructions)		<u> </u>			
	1	Membership fees received					
	3	Gross investment income (see instructions for definition)	See A	ttached Exh	ibit		
	4	Net income from organization's unrelated business activities not included on line 3					
	5	Tax revenues levied for and either paid to or spent on behalf of the organization					
Revenue	6	Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
		Other income (not including gain or loss from sale of capital assets) (attach schedule) Total (add lines 1 through 7)				•	
	9	Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost					
	10	of sales on line 22					
	11	•					
	12	Unusual grants					
		Total revenue (add lines 10 through 12)					
	14	Fundraising expenses					
	15	Contributions, gifts, grants, and similar amounts paid (attach schedule)					
	76	Disbursements to or for benefit of members (attach schedule)					
Expense	17	Compensation of officers, directors, and trustees (attach schedule)					
		Other salaries and wages					
	20	Occupancy (root utilities at a)					
		Occupancy (rent, utilities, etc.)					
		Depreciation and depletion					
		Other (attach schedule)					
		Total expenses (add lines 14 through 22)					
	24	Excess of revenue over					
		Excess of revenue over expenses (line 13 minus line 23)					

1168 Middlebury Lane #B1, Wheeling, IL 60090-2453

Initial 3 year budget

·	2001	2002	2003
Income			
Contributions, grants Interest, Dividends Loan Repayments(1)	\$25,000.00 \$730.00 \$1200.00	\$25,000.00 \$1344.00 \$3000.00	\$25,000.00 \$1969.88 \$5400.00
Expenditures			
Scholarship Loans(1)	\$3600.00	\$7200.00	\$7200.00
Grants & Scholarships(2)	\$5000.00	\$7500.00	\$10,000.00
Program Expenses(3)	\$500.00	\$750.00	\$1000.00
Legal, Accounting Fees	\$2500.00	\$1000.00	\$1000.00
Excise Taxes	-0-	\$26.88	\$39.40
Assets			
Investments Loans Outstanding(1)	\$15,330.00 \$2400.00	\$28,197.52 \$6600.00	\$41,328.00 \$8400.00

Notes

- (1) One of the programs of the Michael G. Nicholas Foundation is Scholarship Loans. These will be 0% interest student loans. The loan grants are listed under Expenditures, the partial loan repayments are listed under income, and outstanding loan balances show up under assets.
- (2) Grants & Scholarships are the programs of the Michael G. Nicholas Foundation. Grants includes all grants made to other charitable organizations foreign and domestic. The primary qualified charities are listed in the trust establishment document. Grants will be made to charities based on applications which fit within the goals of the Michael G. Nicholas Foundation, of which the primary one is education.

Scholarships are granted for Orthodox Christian children in third world countries who could otherwise not afford to attend primary or secondary school either because they are orphans or come from a very poor family. They are selected based on need, desire, and ability and must have recommendations from both a priest and the school. Since they are minors, the money is sent directly to the school. For example, in the Nandi district of Kenya, there are 30 churches, served by 17 priests. The largest church has about 400 school age children in it. The Michael G. Nicholas Foundation plans to offer to sponsor 15 to 20 children to secondary school at around US \$300.00 each. The priests will meet to select which children they recommend. The Michael G. Nicholas Foundation will verify with the schools that these children were accepted at the school (these are public schools) and meet the academic requirements. It will also follow up with the school requesting school progress reports of these children.

(3) Program expenses are mainly wire transfer fees.

Fart IV Financial Data (Continued)

	Current tax year 12/31/00						
Assets							
1	Cash	1					
2	Accounts receivable, net	2					
3	Inventories	3					
4	Bonds and notes receivable (attach schedule)	4	•				
5	Corporate stocks (attach schedule)	5					
6	Mortgage loans (attach schedule)	6					
7	Other investments (attach schedule)	7					
8	Depreciable and depletable assets (attach schedule)	8					
9	Land	9					
10	Other assets (attach schedule)	10					
11	Total assets (add lines 1 through 10)	11	- 0 -				
	Liabilities						
12	Accounts payable	12					
13	Contributions, gifts, grants, etc., payable	13					
14	Mortgages and notes payable (attach schedule)	14					
15	Other liabilities (attach schedule)	15					
16	Total liabilities (add lines 12 through 15)	16	- 0 -				
	Fund Balances or Net Assets						
17	Total fund balances or net assets	17	- 0 -				
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18	- 0 -				
If the	f there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation						

Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc., to Individuals

	its use, whether a gift or a loor will establish several cated determines the recipients for complete to be considered for study, or other similar purpose 53.4945-4(c) and (d).)	an, and how the availability of the scholarsh gories of scholarship benefits, identify each each category. Attach a sample copy of any r scholarship grants, loans, or similar benef es are required to obtain advance approval o	d, etc., including the terms and conditions governing hip is publicized. If the organization has established the kind of benefit and explain how the organization y application the organization requires individuals to fits. (Private foundations that make grants for travel, of scholarship procedures. See Regulations sections the procedures in the event we determine that the	
C	If you checked the box in 1b	above, check the boxes for which you wish	n the organization to be considered.	
	¼ 4945(g)(1)	4945(g)(2)	4945(g)(3)	
2	there are, or will be, any restr the prospective recipient or an Individuals receivi There will be no re	ictions or limitations in the selection proced y relative of the prospective recipient. Also income ng scholarships will be limite strictions or limitations in tent status of the prospective	are eligible recipients? Specifically explain whether dures based upon race or the employment status of edicate the approximate number of eligible individuals. The selection procedures based on a recipient or any relative of the	
3	Indicate the number of grants	the organization anticipates making annua	ally Approx. 20	
4	indicate whether there is or hi	as been any direct or indirect relationship be	atus of the applicant or any relative of the applicant, etween the members of the selection committee and ction committee are possible recipients or have been	
5	The organization wi grants are made. Re eligible for the ap will be made to the	taking action if the terms of the grant are the continuously monitor the excipients must retain a good action of grants for his on	ducation of those for whose benefits cademic status in order to remain r her benefit. In this regard, reporthe organization reserves the right	

1168 Middlebury Lane #B1, Wheeling, IL 60090-2453

Scholarship Background Information

The Scholarship programs managed by the Michael G. Nicholas Foundation are really an extension of its grant-making program. In each of the countries in which the Foundation will be making grants, it will determine the most appropriate manner in which grants should be made.

In Uganda, the Orthdodox Christian church operates several schools. It has a board of directors. It has a bank account. It already subsidizes education through discounted tuition rates. In other words, if a grant were made to the Orthodox church in Uganda for building a school, for school supplies, or to further subsidize education for needy students, it already has enough infrastructure in place to receive the grant, either directly from the Michael G. Nicholas Foundation or through other non-profit organizations which already support it such as the Orthodox Christian Mission Center.

In Romania, Guatemala, and Mexico, the Orthodox Christian churches run orphanages. The one in Mexico, Project Mexico, is already a registered not-for-profit in the United States. It has a Mexican board of directors and a US board of directors. It actively encourages the boys to attend school and creates a savings account for each boy. They boys receive the money when they graduate and can use it for college education or to start off in life after the orphanage. Again, there is adequate infrastructure and programs already in operation that the Michael G. Nicholas Foundation could make grants directly to the orphanage.

In Kenya, however, the Orthodox Christian does not operate the schools and does not operate an orphanage. The children attend public schools if their families can afford to send them, which sadly, many cannot. Many of the churches and priests do not even have bank accounts. The schools are accustomed to receiving sponsorships, so the Michael G. Nicholas Foundation has determined the best way to make grants in Kenya is through a scholarship program with appropriate checks and balances in place to manage the program remotely.

Children must be accepted by a school and have headmaster recommendation.

The priests will select children based on need and desire.

Immediate members of a priest's family are ineligble.

The clergy association will submit the list signed by all the priests.

Money will be wired to the headmasters of the schools.

Copies of communications will be sent to the Archdiocese of Kenya.

Priests will follow up with the schools to collect receipts and student progress reports.

Students are to be selected based on need, desire, and ability and must have recommendations from both a priest and the school. Since they are minors, the money is sent directly to the school. For example, in the Nandi district of Kenya, there are 30 churches, served by 17 priests. The largest church has about 400 school age children in it. The Michael G. Nicholas Foundation plans to offer to sponsor 15 to 20 children to secondary school at around US \$300.00 each. The priests will meet to select which children they recommend. The Michael G. Nicholas Foundation will verify with the schools that these children were accepted at the school and meet the academic requirements. It will also follow up with the school requesting school progress reports of these children.

1168 Middlebury Lane #B1, Wheeling, IL 60090-2453

Sample Scholarship Instructions for Kenya Priests

The Michael G. Nicholas will inform the clergy association how many scholarships will be available each year. Based on the number of schoalrships available, the clergy association will determine how many children each priest will be able to recommend: example one per priest, one per church. If more students are recommended than funds allow, not all students will receive scholarships. Immediate members of a priest family are inelegible. All students should be faithful members of an Orthodox Christian church.

Each priest should include the following information with each application:

- 1. Student full name.
- 2. Name of church student attends.
- 3. Name of school student has been accepted to.
- 4. Form (grade level) student will be attending.
- 5. School admission number of student.
- 6. One paragraph describing why student is being recommended to be written by priest.
- 7. Attach copy of school fees schedule.
- 8. Attach copy of previous years marks and class rank.

The clergy association should include one summary list with the student name and church name and signed by all priests attesting to the accuracy of the list and that all the names meet the elegibility requirements. A copy of the list should be sent to the Archdiocese in Nairobi.

1168 Middlebury Lane #B1, Wheeling, IL 60090-2453

Publicity and Reporting

The Michael G. Nicholas Foundation will send annual reports to:
The Orthodox Church in America, which publishes bi-monthly The Orthodox Church Newspaper.
The Orthodox Christian Mission Center, which publishes quarterly the OCMC Newsletter
The International Orthodox Christian Charities, which publishes quarterly News and Needs Newsletter

In addition, it will also send annual reports to each of the Archbdioceses in which it makes grants.

It may also submit publicity articles to local newspapers such as The Daily Nation and East African in Kenya to publicize the Kenya scholarship program. It will not give out the names of the children, but will advertise the number of scholarships awarded and total US dollar amount.

In the next year, the Michael G. Nicholas Foundation hopes to have a web site and e-mail.