

AFFIDAVIT PACKET
FOR CANADIAN GRANT APPLICANTS

This packet includes:

Introduction
Affidavit for Canadian Organizations
Appendix A: Exemption Status
Appendix B: Schedule of Financial Support
Summary of Forms to be Completed by Applicants

Please provide all information requested in this packet in English.

An officer who is authorized to represent your organization must sign the Affidavit.

Forward the completed and signed Affidavit packet (including copies of all required documents) to us at:

Hecla Charitable Foundation
6500 N. Mineral Drive
Suite 200
Coeur d'Alene, Idaho 83815-9408

INTRODUCTION

The Hecla Charitable Foundation is considered a “private foundation” under the laws of the United States. We are therefore required to follow certain rules and procedures in making grants to charitable organizations located outside the United States. These rules and procedures are established by the Internal Revenue Service (“IRS”), the U.S. governmental agency that has oversight over the tax matters of nonprofit organizations.

There are different rules we must follow depending upon the type of your organization. For example, if we can determine that your organization “qualifies” as a United States “public charity,” the rules are easier for you and for us. [In fact, we only make grants to those organizations that qualify as U.S. “public charities.”] We have compiled this Affidavit packet to help us gather the information we will need in order to determine whether we will be able to qualify your organization as equivalent to a U.S. public charity.

In order to be eligible to receive a grant from the foundation, you must (a) be organized and operated exclusively for charitable or other exempt purposes and (b) be equivalent to a U.S. public charity. These are separate tests under U.S. law.

The first part of this packet includes an affidavit that you must complete and sign if you would like us to determine your status. This affidavit includes a representation that you are recognized by Revenue Canada as a Canadian registered charity . A Canadian organization that has received such recognition is treated as an exempt organization in the U.S. (e.g., organized and operated exclusively for charitable or other exempt purposes) under the U.S.-Canada Tax Treaty and IRS guidance.

As a result, if you are a registered Canadian charity, you are not required to complete Appendix A. If you are not a registered Canadian charity, you must complete Appendix A in order to demonstrate that you are organized and operated exclusively for charitable or other exempt purposes.

The affidavit also includes representations regarding qualification for public charity status. You may qualify for public charity status and be eligible for a grant by being a school, a hospital or by satisfying a “public support” test. If you are not a school or hospital, you must complete Appendix B.

This Appendix will help us to determine whether or not your organization passes the public support test. The “public support schedule” lists the types and sources of your total financial support over the most recent four-year period. The “major donor support” form helps us calculate what portion of your support is “public,” as defined by the IRS.

It is very important that you provide all the information requested in the Affidavit and appendices. Please sign the Affidavit and return the packet only after all items have been completed. If you have questions, please contact us.

5. Control of Organization. The Organization is not controlled by or operated in connection with any other organization other than as follows: _____

_____.

6. Use of Grant Funds. The Organization does not intend to use any portion of funds that may be awarded by the Hecla Charitable Foundation for (a) use in the United States, (b) travel expenses to conduct research, attending conferences or otherwise performing activities in the United States, or (c) scholarship or fellowship grants for study in the United States.

7. Authorization. The governing body or board of directors of the Organization has authorized me to make this Affidavit and affirms its contents.

8. Binding Representations. The representations and statements made in this Affidavit are binding on the Organization.

I swear under penalty of perjury that the foregoing statements and representations and all supporting documents are complete, true and correct to the best of my knowledge.

Date: _____

(Name of Organization)

By: _____

(Print Name and Title)

Please send the original copy of the Affidavit and all Appendices and supporting documents to the Foundation at the following address:

Hecla Charitable Foundation
6500 N. Mineral Drive
Suite 200
Coeur d'Alene, Idaho 83815-9408

APPENDIX A
EXEMPTION STATUS

1. The Organization was created in _____ under the laws of _____
by _____ and is structured as a _____.
(year) (Province)
(identify statute, charter or other document) (corporation, trust, etc.)

The Organization is operated exclusively for the following purposes (check all that apply):

- Charitable
- Religious
- Scientific
- Literary
- Educational

2. Governing Documents. Attached are copies (in English) of the charter, bylaws and other documents that govern the Organization. If the original versions of these documents are not in English, a translated copy of such documents is attached.

3. Programs and Activities. The Organization's programs and activities include the following (describe past, current and future activities; add pages if necessary): _____

_____.

4. No Improper Private Benefit. The laws and customs that apply to the Organization do not permit any of its income or assets to be given to, distributed to, or applied for the benefit of, a private person or non-charitable organization other than (a) as part of the Organization's charitable, religious, scientific, literary or educational activities, or (b) as payment of reasonable compensation for services rendered to the Organization, or (c) as payment for the fair market value of property the Organization has purchased.

5. No Proprietary Interest in Organization. The Organization has no shareholders or members who have a proprietary interest in the income or assets of the Organization.

6. Limits on Activities. The laws and customs applicable to the Organization do not permit the Organization to (a) engage in activities that are not for charitable, religious, scientific, literary or educational purposes; or (b) attempt to influence legislation, by propaganda or otherwise; or (c) to participate or intervene, directly or indirectly, in any political campaign on behalf of, or in opposition to, any candidate for public office.

NOTE: The statements above place restrictions or limitations on organizations' operations and activities. It is important to understand that when you sign this Affidavit, you are stating that Items 3, 4 and 5 are TRUE for your Organization. Please read these statements very carefully and strike any statements that are NOT TRUE for your Organization.

7. Distribution of Assets Upon Dissolution. In the event the Organization were to be liquidated or dissolved, under the laws and customs that apply to the Organization, or under the Organization's governing documents, all of the Organization's assets would be distributed to other not-for-profit organizations for charitable, religious, scientific, literary or educational purposes, or to a government instrumentality. Attached (in English) is a copy of the relevant statutory provisions in the Organization's governing documents controlling the distribution of its assets on dissolution or liquidation.

APPENDIX B
HECLA CHARITABLE FOUNDATION
SCHEDULE OF FINANCIAL SUPPORT INSTRUCTIONS

To assist the Hecla Charitable Foundation and its legal counsel, Perkins Coie LLP, to determine whether _____ (the “Organization”) is the equivalent of a public charity under the United States Internal Revenue Code, please complete the attached schedule of financial support and have a principal officer of the Organization attest to the answers by signing the bottom of the final page. This schedule should be completed in U.S. dollars.

Part One

Line 1: Include funds or other items of value that the Organization receives as gifts, grants, or contributions. For example, if one of the Organization's activities is a food drive, the value of the donated food must be included on this line. Also include on this line payments a governmental unit makes to enable the Organization to both:

- Accomplish its exempt purpose(s) and
- Provide a service or facility directly to the general public.

See the instructions to line 3 if you are uncertain whether revenue should be included as a grant in line 1 or as gross receipts in line 3.

Line 2: Include amounts received from members to provide support to the Organization. Do not include payments from members or made on behalf of members to purchase admissions, merchandise, services, or use of facilities.

Line 3: “Gross receipts” is income from activities that the Organization conducts to further its exempt purposes (excluding amounts listed on other lines). It includes payments by a governmental unit that may be called a “grant,” but that is actually payment for a service or facility for the use of the government payer, rather than for the direct benefit of the public. Research leading to development of tangible products for the use or benefit of the payor will generally be treated as a service provided to serve the direct and immediate needs of the payor (and therefore as gross receipts), while basic research or studies carried on in the physical or social sciences will generally be treated as primarily to confer a direct benefit on the general public (and therefore as a grant).

Examples

1. A governmental health agency pays an organization to provide free Hepatitis B vaccinations to children in an impoverished rural region. Income the organization receives for providing this service accomplishes the organization's exempt purpose and directly provides a service to the general public. The income is a grant to the organization that should be listed on line 1.
2. The governmental department of public health pays the organization to develop a more economical system for government workers to deliver Hepatitis B vaccines to rural

populations. Such income is gross receipts received from the general public in performance of the organization's exempt function and should be listed on line 3.

Include as gross receipts the income from activities conducted:

- Intermittently (not regularly carried on), such as an occasional auction
- With substantially all (at least 85%) volunteer labor, such as a car wash fundraiser
- For the convenience of members, students, patients, officers, or employees, such as a parking lot for a school's students and employees
- With substantially all contributed merchandise, such as a thrift store.

Line 4: Include gross income from dividends, interest, payments received on securities, loans, rents, and royalties that are held for investment purposes.

Line 5: Net income from unrelated business activities generally includes income from any trade or business activity that is regularly carried on, not conducted with substantially all (at least 85%) volunteer labor, and not related to the Organization's exempt purposes.

Report on line 3 income from activities that are not related to the accomplishment of the Organization's exempt purposes, but are not considered unrelated business activities. For example, income from the sale of merchandise by volunteers that is not treated as an unrelated trade or business is reported on line 3.

Line 6: To determine the value of services or facilities furnished by a governmental unit, use the fair market value of the services or facilities furnished to the Organization. Do not include the value of services or facilities generally provided to the public without charge.

Line 7: Enter the total income from all sources reported on lines 1 through 6.

Line 8: Subtract line 3 from line 7 and enter the amount.

Line 9: In the "total" column only, enter two percent of the total for line 8.

Line 10: In the "total" column only, enter the total from Column C of Part Two of the Schedule of Financial Support.

Line 11: Enter the total of line 8, minus the totals from lines 4, 5 and 10.

Line 12: Divide the amount reflected in line 11 by the amount in line 8.

Part Two

Complete one line for each person or organization that, during the entire five-year period, contributed more than the amount on Line 9 of Part One; however, please exclude from this list any donor that:

- Is a United States government entity (i.e., a state, a possession of the United States, or an agency or political subdivision of any of the foregoing);
- Is a government agency or political subdivision of the country or state in which the Organization was formed;
- Has a determination letter from the United States Internal Revenue Service establishing that it is an organization described in sections 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code; or
- Is an international organization designated by Executive Order under 22 United States Code § 288 (e.g., the United Nations and the World Health Organization).

In Column A, identify each donor by name or otherwise.

In Column B, enter the total amount donated by that person or organization during the five-year period.

In Column C, enter the difference between line 9 of Part One and the amount entered for that donor in Column B.

On the last row, under Column B, enter the total contributions made by persons listed in Column A.

On the last row, under Column C, enter the total of all amounts reflected above in Column C.

SCHEDULE OF FINANCIAL SUPPORT - PART ONE

	2009	2010	2011	2012	2013	Total
1. Gifts, grants, and contributions received						
2. Membership fees received						
3. Gross receipts from tuition, admissions, merchandise sold, services performed, or facilities provided (only from activities whose conduct is related to the exempt purposes of the Organization)						
4. Gross income from interest, dividends, rents, and royalties						
5. Net income from business activities that are unrelated to the Organization's exempt purpose						
6. Value of services or facilities furnished by a government unit without charge						
7. Subtotal (lines 1 through 6)						
8. Line 7 minus line 3						
9. Two percent of the total for line 8* (for total only)						
Complete Part Two; then complete the rest of Part One						
10. Total from Part Two, Column C (for total only)						
11. Public support - Total of line 8 minus totals of lines 4 + 5 + 10						
12. Public support percentage - line 11 divided by line 8						

*For each organization whose contributions for the five years exceeded the amount shown on line 9 please fill out Part Two

SUMMARY OF FORMS
TO BE COMPLETED BY APPLICANTS

	<u>Affidavit</u>	<u>Appendix A</u>	<u>Appendix B</u>
Organizations Recognized as Exempt by Revenue Canada	Yes	No	-
Organizations <u>Not</u> Recognized as Exempt by Revenue Canada	Yes	Yes	-
Hospitals	Yes	-	No
Schools	Yes	-	No
All Other Organizations	Yes	-	Yes