

GENEVA COLLEGE
Form 990: Annual Disclosure Statement

The 2008 Form 990, Return of Organization Exempt from Income Tax, requires an exempt organization to disclose certain relationships and transactions with respect to its board members, officers, key employees and former directors, officers and key employees (collectively referred to as “interested persons”). Because these disclosures request information that is not typically captured by Geneva College, we must request this information from all interested persons.

The 2008 Form 990 instructions provide a “safe harbor” for an exempt organization that makes a “reasonable effort” to obtain the information. To invoke the reasonable efforts provision, an organization must send an annual disclosure questionnaire to all interested persons asking for their representations regarding certain Form 990 disclosures. Specifically, the safe harbor applies to disclosures set forth in Form 990, Part VI, Governance, Management, and Disclosure, Part VII, Section A, Officers, Directors, Trustees, Key Employees and Highest-Compensation Employees, and Schedule L, Transactions with Interested Persons.

In order for Geneva College to avail itself of the above-mentioned safe harbor, we respectfully request that you read and complete this Annual Disclosure Statement. Please be advised that all information reported on this Annual Disclosure will be held confidential. Any questions regarding the questionnaire should be directed to Ken Smith, President.

Annual Disclosures

The following definitions of “business relationship”, “family relationship”, “family member” and “ownership” are critical to the accurate completion of the questionnaire.

A **business relationship** between two persons includes any of the following:

- 1) One person is employed by the other in a sole proprietorship or by any organization with which the other is associated as a **trustee, director, officer, key employee**, or greater-than-35% owner.
- 2) One person is transacting business with the other (other than in the ordinary course of either party’s business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of transactions with an organization with which the one person is associated as a trustee, director, officer, key employee or greater than 35% owner.
- 3) The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.

A "business relationship" does not include a relationship between (1) attorney and client, (2) medical professional (including psychologist) and patient, or (3) priest/clergy and penitent/communicant.

Ownership. Ownership is measured by stock ownership (voting power or value, whichever greater) of a corporation, profits or capital interest (whichever greater) in a partnership or limited liability company, beneficial interest in a trust, or control of a nonprofit organization. Ownership includes indirect ownership (e.g., ownership in an entity that has ownership in the entity doing business with the organization) and there may be ownership through multiple tiers of entities. The constructive ownership rules of section 267(c) apply for this purpose.

A family relationship and/or family member include:

Unless specified otherwise, the family of an individual includes his or her spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses of brothers, sisters, children, grandchildren, and great grandchildren include interested persons.

Question 1. Board Independence

- a. Were you compensated as an officer or other employee of Geneva College or of a related organization? (Please note that Geneva College is related to the Reformed Presbyterian Church of North America, and any compensation received directly from the RPCNA does need to be disclosed. However, churches within the denomination are autonomous, and therefore, compensation received from individual churches within the denomination does not need to be disclosed.)

Yes ___ No ___

- b. Did you receive total compensation or other payments exceeding \$10,000 during the year from Geneva College as an independent contractor excluding expense reimbursements under an accountable plan or reasonable compensation for services provided as a member of the Board of Directors/Trustees?

Yes ___ No ___

- c. Were you, any member of your family and/or a 35% controlled entity of you, and/or your family member, involved directly or indirectly through affiliation with another organization in an excess benefit transaction with Geneva College or any organization related to Geneva College?

An excess benefit transaction is one in which the economic benefit the insider receives, directly or indirectly, exceeds the value of the consideration (work performed or price paid) he or she gives back to the organization, also called a non-fair market value transaction.

Yes ___ No ___

- d. Were you, a family member and/or a 35% entity controlled by you, and/or family members, engaged in a loan transaction to or from Geneva College, including salary advances, other advances, or receivables during the year. This includes any loan or advance that was originally made between the Geneva College and a third party, or between you or a family member and a third party, that was transferred so as to become a debt outstanding between Geneva College and you or a family member. This does not include business expense advances, pledges receivable, accrued but unpaid compensation that would qualify as a charitable contribution when paid, or receivables that were created in the ordinary course of business on the same terms as offered to the public. (If you have a family member who is on a Geneva College payment plan, then that loan must be disclosed. Federal loans (i.e. Perkins Loans) are not loans of the college and do not need to be disclosed.)

Yes ___ No ___

Please explain the name of debtor or creditor and the purpose of the transaction.

- e. Were grants or assistance provided to you or a member of your family, or an entity in which you own directly or indirectly a 35% ownership interest, including the provision of goods, services or use of facilities during the tax year. (If you have a family member who received a scholarship from the college, you will need to disclose this.)

Yes ___ No ___

Please explain _____

- f. Did you, a family member or an entity more than 35% owned, directly or indirectly, individually or collectively by you, a current or former officer, director, trustee or key employee and/or their family members ("interested persons"¹) engage in a business transaction² with Geneva College, regardless of when the transaction was entered

¹ Interested persons. An interested person for purposes of this disclosure is a current or former officer, director, trustee, or key employee listed in Form 990, Part VII, Section A, or any of the following:

- A family member of a current or former officer, director, trustee, or key employee listed in Form 990, Part VII, Section A.
- An entity more than 35% owned, directly or indirectly, individually or collectively, by (1) one or more current or former officers, directors, trustees, or key employees listed in Form 990, Part VII, Section A, and/or (2) their family members.
- An entity (other than a tax-exempt organization under section 501(c)) of which a current or former officer, director, trustee, or key employee listed in Form 990, Part VII, Section A was serving at the time of the transaction as (1) an officer, (2) a director, (3) a trustee, (4) a key employee, (5) a partner or member with an ownership interest in excess of 5% if the entity is treated as a partnership, or (6) a shareholder with an ownership interest in excess of 5% if the entity is a professional corporation

² Business transactions include but are not limited to contracts of sale, lease, license and performance of services, whether initiated during the organization's tax year or ongoing from a prior year. Business transactions also include **joint ventures**, whether new or ongoing, in which either the profits or capital interest of the respective organization and you or a family member of the interested person each exceeds 10%.

whereby (1) all payments during the year between the respective organization and all interested persons exceeded \$100,000, (2) all payments during the year from a single transaction exceeded the greater of \$10,000 or 1% of the respective organization's revenues (\$350,000), or (3) compensation payments by Geneva College to a family member exceeded \$10,000.

Yes ____ No ____

Please explain _____

Note: If all of the questions above (a-e) are answered "No", you are an independent board member.

Question 2. Transactions with Interested Persons

During the tax year were you:

- a. An officer, director, trustee, key employee, of an entity (other than a tax-exempt organization under IRC Section 501(c)) that did business with Geneva College?

Yes _____ No _____

Please explain _____

- b. A partner or member with an ownership interest in excess of 5% that did business with Geneva College?

Yes _____ No _____

Please explain _____

- c. A shareholder with an ownership interest in excess of 5% if the entity is a professional corporation that did business with Geneva College?

Yes _____ No _____

Please explain _____

For all "yes" answers please provide the name of the organization that did business with Geneva College.

Question 3. Relationships

During the past year, did you have a family relationship or a business relationship with any current officer, director, trustee or key employee of Geneva College?

Business relationship³ Yes _____ No _____

Family relationship³ Yes _____ No _____

If yes, please provide in the space below the name of the individual with whom you have or had such a relationship and state whether it was a family relationship or a business relationship.

Question 4. Compensation

Please indicate whether you received cash or noncash compensation from a related organization⁴ of Geneva College:

Yes _____ No _____

Please indicate whether you received cash or noncash compensation from an unrelated organization for providing services to Geneva College:

Yes _____ No _____

Please note that a "yes" response may require further inquiries.

You will be informed in the event that Geneva College is required to disclose a relationship or transaction that affects your independence on its Form 990.

³ See definitions on pages 1 and 2 of Questionnaire.

⁴ See definition in note 1.

Thank you in advance for your assistance with this matter.

Name: _____

Title: _____

Date: _____

Signature: _____