

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

▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Go to www.irs.gov/Form1023 for instructions and the latest information.

OMB No. 1545-0056
 Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I – XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
The Decentralization Foundation			
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
4701 Patrick Henry Dr, Building 25		83-1507845	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 – 12)	
Santa Clara, CA 95054		12	
6 Primary contact (officer, director, trustee, or authorized representative) a Name: Nancy E. McGlamery, Adler & Colvin		b Phone: 415-421-7555	
		c Fax: (optional) 415-421-0712	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website: None yet.			
b Organization's email: (optional) decentralizationfoundation@gmail.com			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		08/03/2018	
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. See instructions. **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. Yes No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. Yes No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. Yes No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. Yes No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. Yes No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. Yes No

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language.
Location of Purpose Clause (Page, Article, and Paragraph): **Page 1, Article II, Paragraph B**
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. **Page 2, Article VI**
- c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
See Supplemental Responses.			

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None.			

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None.			

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family** or **business** relationships? If "Yes," identify the individuals and explain the relationship. Yes No
 - b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No
 - c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No
- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No
- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No
 - b** Do you or will you approve compensation arrangements in advance of paying compensation? Yes No
 - c** Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
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- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
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- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
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- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
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- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. **See Supplemental Responses.** Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at **arm's length**.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
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- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. See instructions.

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. See instructions.

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to nonprofit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. See instructions.

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. See instructions. **Yes** **No**
- mail solicitations
 - email solicitations
 - personal solicitations
 - vehicle, boat, plane, or similar donations
 - foundation grant solicitations
 - phone solicitations
 - accept donations on your website
 - receive donations from another organization's website
 - government grant solicitations
 - Other

Attach a description of each fundraising program.

- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide childcare so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide childcare, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Yes No
See Supplemental Responses.
- 12a** Do you or will you operate in a foreign country or countries? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. Yes No
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. Yes No
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. Yes No
- d** Identify each recipient organization and any relationship between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following.
- (i)** Do you require an application form? If "Yes," attach a copy of the form. Yes No
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. Yes No
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. Yes No
See Supplemental Responses.
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. Yes No
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. Yes No
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. Yes No
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. Yes No

Part VIII Your Specific Activities (Continued)

- | | | | |
|----|---|------------------------------|--|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H.
Note: Private foundations may use Schedule H to request advance approval of individual grant procedures. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years.

1. If in existence less than 5 years, complete the statement for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of:
 - a. Three years of financial information if you have not completed one tax year, or
 - b. Four years of financial information if you have completed one tax year. See instructions.
2. If in existence 5 or more years, complete the schedule for the most recent 5 tax years. You will need to provide a separate statement that includes information about the most recent 5 tax years because the data table in Part IX has not been updated to provide for a 5th year. See instructions.

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years				
		(a) From To	(b) From To	(c) From To	(d) From To	(e) Provide Total for (a) through (d)	
	1 Gifts, grants, and contributions received (do not include unusual grants)	See Proposed Budget, attached.					
	2 Membership fees received						
	3 Gross investment income						
	4 Net unrelated business income						
	5 Taxes levied for your benefit						
Revenues	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)						
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)						
	8 Total of lines 1 through 7						
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)						
	10 Total of lines 8 and 9						
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)						
	12 Unusual grants						
	13 Total Revenue Add lines 10 through 12						
	Expenses	14 Fundraising expenses					
		15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
16 Disbursements to or for the benefit of members (attach an itemized list)							
17 Compensation of officers, directors, and trustees							
18 Other salaries and wages							
19 Interest expense							
20 Occupancy (rent, utilities, etc.)							
21 Depreciation and depletion							
22 Professional fees							
23 Any expense not otherwise classified, such as program services (attach itemized list)							
24 Total Expenses Add lines 14 through 23							

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

		Year End:
		(Whole dollars)
Assets		
1	Cash	1 9,000
2	Accounts receivable, net	2
3	Inventories	3
4	Bonds and notes receivable (attach an itemized list)	4
5	Corporate stocks (attach an itemized list)	5
6	Loans receivable (attach an itemized list)	6
7	Other investments (attach an itemized list)	7
8	Depreciable and depletable assets (attach an itemized list)	8
9	Land	9
10	Other assets (attach an itemized list)	10
11	Total Assets (add lines 1 through 10)	11 9,000
Liabilities		
12	Accounts payable	12
13	Contributions, gifts, grants, etc. payable	13
14	Mortgages and notes payable (attach an itemized list)	14
15	Other liabilities (attach an itemized list)	15
16	Total Liabilities (add lines 12 through 15)	16 0
Fund Balances or Net Assets		
17	Total fund balances or net assets	17 9,000
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18 9,000
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. See instructions.

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, h, or i or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4) – an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv) – an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(ix) – an agricultural research organization directly engaged in the continuous active conduct of agricultural research in conjunction with a college or university.
- h 509(a)(1) and 170(b)(1)(A)(vi) – an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- i 509(a)(2) – an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- j A publicly supported organization, but unsure if it is described in 5h or 5i. You would like the IRS to decide the correct status.

6 If you checked box h, i, or j in question 5 above, and you have been in existence more than 5 years, you must confirm your public support status. Answer line 6a if you checked box h in line 5 above. Answer line 6b if you checked box i in line 5 above. If you checked box j in line 5 above, answer both lines 6a and 6b.

- a (i) Enter 2% of line 8, column (e) on Part IX-A Statement of Revenues and Expenses _____
- (ii) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," state this.
- b (i) For each year amounts are included on lines 1, 2, and 9 of Part IX-A Statement of Revenues and Expenses, attach a list showing the name and amount received from each disqualified person. If the answer is "None," state this.
- (ii) For each year amounts were included on line 9 of Part IX-A Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of Line 10, Part IX-A Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," state this.

7 Did you receive any unusual grants during any of the years shown on Part IX-A Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No


Part XI User Fee Information and Signature

You must include the correct user fee payment with this application. If you do not submit the correct user fee, we will not process the application and we will return it to you. Your check or money order must be made payable to the United States Treasury. User fees are subject to change. Check our website at www.irs.gov and type "Exempt Organizations User Fee" in the search box, or call Customer Account Services at 1-877-829-5500 for current information.

Enter the amount of the user fee paid: \$600.00

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please
Sign
Here


(Signature of Officer, Director, Trustee, or other authorized official)

Christian Peel

(Type or print name of signer)

President

(Type or print title or authority of signer)

7 Nov 2018
(Date)

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures**Section I** *Names of individual recipients are not required to be listed in Schedule H.***Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.**

- 1 a Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
 b Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
 c If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
 d Specify how your program is publicized.
 e Provide copies of any solicitation or announcement materials.
 f Provide a sample copy of the application used.
- 2 Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions. Yes No
- 3 Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
- 4 a Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
 b Describe how you determine the number of grants that will be made annually.
 c Describe how you determine the amount of each of your grants.
 d Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
- 5 Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
- 6 Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
- 7 Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections? Yes No
- Note:** If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

Section II **Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.**

- 1 a If we determine that you are a private foundation, do you want this application to be Yes No N/A considered as a request for advance approval of grant making procedures?
 b For which section(s) do you wish to be considered?
 • 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution
 • 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product
- 2 Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring? Yes No
- 3 Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2? Yes No

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures (Continued)**Section II Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section. (Continued)**

- 4a** Do you or will you award scholarships, fellowships, and educational loans to attend an educational institution based on the status of an individual being an *employee of a particular employer*? If "Yes," complete lines 4b through 4f. Yes No
- b** Will you comply with the seven conditions and either the percentage tests or facts and circumstances test for scholarships, fellowships, and educational loans to attend an educational institution as set forth in Revenue Procedures 76-47, 1976-2 C.B. 670, and 80-39, 1980-2 C.B. 772, which apply to inducement, selection committee, eligibility requirements, objective basis of selection, employment, course of study, and other objectives? (See lines 4c, 4d, and 4e, regarding the percentage tests.) Yes No
- c** Do you or will you provide scholarships, fellowships, or educational loans to attend an educational institution to employees of a particular employer? Yes No N/A
If "Yes," will you award grants to 10% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? Yes No
- d** Do you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer? Yes No N/A
If "Yes," will you award grants to 25% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? If "No," go to line 4e. Yes No
- e** If you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer, will you award grants to 10% or fewer of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application) in that year, as provided by Revenue Procedures 76-47 and 80-39? Yes No N/A
If "Yes," describe how you will determine who can be shown to be eligible for grants without submitting an application, such as by obtaining written statements or other information about the expectations of employees' children to attend an educational institution. If "No," go to line 4f.
- Note:** Statistical or sampling techniques are not acceptable. See Revenue Procedure 85-51, 1985-2 C.B. 717, for additional information.
- f** If you provide scholarships, fellowships, or educational loans to attend an educational institution to *children of employees of a particular employer* without regard to either the 25% limitation described in line 4d, or the 10% limitation described in line 4e, will you award grants based on facts and circumstances that demonstrate that the grants will not be considered compensation for past, present, or future services or otherwise provide a significant benefit to the particular employer? If "Yes," describe the facts and circumstances that you believe will demonstrate that the grants are neither compensatory nor a significant benefit to the particular employer. In your explanation, describe why you cannot satisfy either the 25% test described in line 4d or the 10% test described in line 4e. Yes No

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4701 Patrick Henry Dr, Building 25
Santa Clara, CA 95054
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SUPPLEMENTAL RESPONSES TO FORM 1023

Part I: Identification of Applicant.

Question 7: Authorized Representative. The name, firm, and address of the authorized representative of The Decentralization Foundation (the "Foundation") is:

Nancy E. McGlamery and Shea Loewen Lazarow
Adler & Colvin
135 Main Street, 20th Floor
San Francisco, California 94105

We attach a completed **Form 2848**.

Part II: Organizational Structure.

Question 1: Corporation. We attach a certified copy of the Articles of Incorporation of the Foundation, filed with the Secretary of State of California on August 3, 2018. There have been no amendments to the Articles of Incorporation to date.

Question 5: Bylaws. We attach a copy of the Bylaws of the Foundation, as adopted on September 13, 2018. There have been no amendments to the Bylaws to date.

Part IV: Narrative Description of Past, Present, and Planned Activities.

Background and Purposes

The Decentralization Foundation seeks to support education and scientific research about decentralization of technology and to encourage public discourse regarding decentralization through providing educational tools and learning opportunities about decentralized technology, building the decentralization community to encourage public and informed discourse on developing technology, and funding relevant scientific research in order to make the scientific information publicly available.

There is a real need in today's workforce for individuals who understand the issues and technology around decentralization and can bring these skills into the workplace. Appropriate educational venues are difficult to find and often are not accessible to beginners. Individuals do not have an adequate forum to share the knowledge they gain. As decentralization technology rapidly evolves, continued in-depth scientific research is needed to evaluate the economic and societal impact of these changes and make the findings of this research available to the public.

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The Foundation seeks to connect advances in technologies to economics and to include economics in its course offerings. The Foundation will initially focus on 1) funding courses and the development of academic materials to teach about decentralized technologies; 2) supporting community education opportunities and events; and 3) funding scientific research projects to make the technology more accessible to beginners. These activities, all of which are still in the planning stages, are discussed in more detail below.

1) Funding the Development of Curriculum and Curriculum Instruction.

The Foundation will fund the development of curricula related to decentralized technology and instruction by qualified instructors. The Foundation's goal is to develop and provide educational opportunities ranging from basic introductory courses, which will provide a broad understanding of decentralized technologies and decentralization, to highly advanced technical courses addressing such topics as hash functions, Merkle trees, applied cryptography, and distributed systems. The Foundation will also seek to fund the development of courses related to platforms, such as distributed storage systems, blockchains, and decentralized social welfare systems. The Foundation will seek to develop courses that evaluate and teach the economics, governance, and finance of decentralized technologies. The Foundation's goal is to fund the development of courses on par with college and university offerings, and it will promote a culture of critical thinking as a part of its curricula.

The Foundation expects to allocate approximately 50% of its total time to funding the development and instruction of these courses.

2) Supporting Community Organizations and Events

The Foundation will support broad and in-depth educational seminars and conferences on decentralization technologies, including how the advances in these technologies are governed, and the economic and financial ramifications of adopting them. The Foundation expects to fund conferences and seminars that will be conducted by community organizations, and anticipates these events will range from more general presentations by qualified speakers presenting overviews of decentralized technology topics to highly technical conferences that will provide a forum for discussions where those who are developing and researching advances in decentralized technologies can share and evaluate the intricacies of their positive and negative experiences with more advanced and larger systems and platforms.

The Foundation expects to allocate approximately 30% of its total time to supporting community organizations and events.

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3) Funding Scientific Research Projects.

The Foundation will fund scientific research projects related to decentralization technologies, and will make the findings publicly available. Some examples of research projects the Foundation expects to fund include basic research in blockchains and distributed systems including underlying cryptographic building blocks, formal verification of distributed computation, development of economic incentives supportive of correct computation and applications of distributed systems to collaborative enterprise and mutual insurance. Researchers will develop appropriate documentation of decentralized systems and the findings will be made publicly available at no cost. The Foundation is currently developing a grant application with which researchers may apply for funding, and the application will be made available on the Foundation's website once the website and application are finalized. A copy of the draft application, as of the date of this filing, is attached. The Board of Directors or those to whom it delegates will review all applications/proposals submitted and select research project for funding no more frequently than once per month.

The Foundation expects to allocate approximately 20% of its total time to funding decentralization-related research projects.

Part V: Compensation and Other Financial Arrangements with Key Personnel.

Question 1a: Compensation and Other Information Regarding Officers and Directors.

Name of Director/Officer	Title	Compensation
Christian Peel	Director, President	None
Steven R. Waldman	Director, Secretary, Treasurer	None
Elaine Ou	Director	None
Jeff Flowers	Vice President	None

The mailing address for all officers and directors is: 4701 Patrick Henry Drive, Building 25, Santa Clara, California 95054. The Foundation does not anticipate compensating any of its officers or directors in the first two years. In the event the Foundation wishes to provide compensation to any officer or director in the future, the Board of Directors will follow the procedures set forth in the Conflict of Interest Policy and Code Section 4958 before making a decision.

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Question 3a: Qualifications and Duties of Directors, Officers, and Key Personnel.

i. Christian Peel, President and Director.

Duties and Hours. As President, Mr. Peel presides at all meetings of the Board of Directors and, subject to control of the Board, generally supervises, directs, and controls the business and other officers of the corporation. Mr. Peel has the general powers and duties of management usually vested in the office of president of a corporation and has such other powers and duties as may be prescribed by the Board or the Bylaws. He serves as many hours as are necessary to complete his responsibilities as President.

Qualifications. Mr. Peel has a PhD in Electrical Engineering from Brigham Young University. He is a Senior Member of the Institute of Electrical and Electronics Engineers ("IEEE"), and chair of the Santa Clara Valley chapter of the IEEE Information Theory Society. In addition, Mr. Peel is a senior systems engineer at Tarana Wireless, and the primary organizer of the Silicon Valley Ethereum meetup.

For duties and hours of directors, see *paragraph v.* below.

ii. Jeff Flowers, Vice President.

Duties and Hours. As Vice President, in the absence of the President, Mr. Flowers carries out the duties of the President and has such other powers and duties as may be prescribed by the Board or the Bylaws. Mr. Flowers serves as many hours as necessary to complete his responsibilities as Vice President.

Qualifications. Mr. Flowers is a professor of Chemistry at the College of San Mateo and holds a EdD from San Francisco State University as well as his MS in Physical Chemistry from University of California, Riverside. He has taught classes on blockchain technologies in multiple venues around the world.

iii. Steven R. Waldman, Secretary, Treasurer, and Director.

Duties and Hours. As Secretary, Mr. Waldman supervises the keeping of a full and complete record of the proceedings of the Board and its committees, the giving of such notices as may be proper or necessary, and the keeping of the minute books of the corporation, among other duties as are usually vested in the office of Secretary. He has such other powers and duties as may be prescribed by the Board or the Bylaws. Mr. Waldman serves as many hours as necessary to complete his responsibilities as Secretary.

As Treasurer, Mr. Waldman supervises the charge and custody of all funds of the corporation, the deposit of such funds in the manner prescribed by the Board of Directors,

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and the keeping and maintaining of adequate and correct accounts of the corporation's properties and business transactions. He renders reports and accountings as required, and has such other powers and duties as may be prescribed by the Board or the Bylaws. Mr. Waldman serves as many hours as necessary to complete his responsibilities as Treasurer.

Qualifications. Mr. Waldman is a software developer and economics writer. His work at the blog Interfluidity (<https://www.interfluidity.com/>) has been cited by the *New York Times*, the *Financial Times*, and *The Economist*, among others. He has taught financial modeling and corporate finance at the University of Kentucky, and is currently working on tools and applications for the Ethereum blockchain.

For duties and hours of directors, see *paragraph v.* below.

iv. Elaine Ou, Director.

Qualifications. Ms. Ou is a Bloomberg Opinion columnist and a blockchain engineer at Global Financial Access in San Francisco. Previously she was a lecturer in the Electrical and Information Engineering department at the University of Sydney.

For duties and hours of directors, see *paragraph v.* below.

v. Duties and Hours of Directors.

Directors serve on the Board of Directors, which generally is expected to meet a minimum of once per year for as long as needed to cover all agenda items. Additional meetings will be held as needed. Under California corporate law governing nonprofit public benefit corporations like the Foundation, the Board is responsible for overall direction and management of the Foundation's activities and affairs, although the Board is permitted to delegate with supervision. Each director shall perform the duties of a director in good faith, in a manner the director believes to be in the best interests of the Foundation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Question 5a: Conflict of Interest Policy. We attach a copy of the Foundation's Conflict of Interest Policy, adopted by Action of the Sole Incorporator on September 13, 2018.

Question 6a/b: Non-fixed Payments of Compensation. While the Foundation's Board of Directors has no immediate plans for payment of non-fixed compensation, the Board might, at some point in the future, consider such an arrangement if it allowed the organization to recruit and/or retain leadership or staff that might otherwise be unavailable (for instance, by linking compensation to the achievement of the Foundation's fundraising goals). To ensure that any such arrangement, if approved, would not result in unreasonably high compensation, a cap would be placed on the total compensation package. The cap, which would be based on a review

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of what comparable organizations pay comparably-qualified individuals for similar tasks, would be determined and approved by the Board of Directors at the time the compensation arrangement was implemented.

Question 8: Leases/Contracts/Loans/Other Agreements with Key Personnel.

The Foundation does not currently have plans to enter into any lease, contract, loan, or other agreement with its officers, directors, or other key personnel. However, should the Foundation consider that doing so is in its interests, the Board of Directors will follow the procedures set forth in the Conflict of Interest Policy and Code Section 4958 before making a decision, as noted above.

Part VI: Benefits to Individuals and Organizations.

Question 1a. Goods, Services, or Funds Provided to Individuals. As described in **Part IV**, the Foundation will provide individuals with a forum to discuss and become educated about decentralization, and will offer resources, courses, community meetings, and written materials related to decentralization. In addition, individuals are eligible to apply for grants as described further in the responses to **Part VIII, Question 13**, below.

Question 1b: Goods, Services, or Funds Provided to Organizations. As described in **Part IV**, the Foundation will provide community forums and educational resources to community organizations and individuals who are interested in promoting, discussing and/or thinking critically about decentralization systems, processes and impact. Organizations are eligible to apply for grants as described further in the responses to **Part VIII, Question 13**, below.

Question 3: Family/Business Relationships Between Beneficiaries of Goods, Services, or Funds and Key Personnel. Although there are no current plans to do so, the Foundation's officers, directors, key personnel, and their family and business partners will be permitted to participate in its educational programs. These individuals will receive no more than the educational benefits provided to other individuals who attend the Foundation's conferences, seminars, workshops, and other similar activities. The Board of Directors of the Foundation believes that the public interest in expanding public knowledge of decentralization far outweighs the value of the benefits conferred on these individuals.

The Service has long acknowledged that no private inurement or improper benefit to insiders occurs where an exempt organization's insiders partake of the organization's services on terms no more beneficial than those available to the general public. For example, we note that Section 4941 of the Code, which sets forth stringent prohibitions on self-dealing with the insiders of private foundations, permits a private foundation to furnish goods, services, or facilities to its disqualified persons so long as it does so "on a basis no more favorable than that

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on which such goods, services, or facilities are made available to the general public.” Code Section 4941(d)(2)(D). If private foundations, which are subject to much stricter standards in this regard than public charities like the Foundation, can provide goods and services to insiders on the same terms as they do to the general public, then it follows logically that the same should be permissible for the Foundation.

Part VIII: Specific Activities.

Question 4a: Fundraising Programs. The Foundation is currently in the initial stages of developing a fundraising plan. The Foundation anticipates being supported by a broad variety of individual donors and governmental and institutional grantors in the United States that support the Foundation’s educational and charitable mission. Initially, the directors of the Foundation intend to make use of their extensive personal networks to solicit charitable contributions through individualized emails and telephone calls, and the Foundation anticipates being able to accept contributions on its website. As the Foundation grows, the fundraising tasks will likely be taken over by staff.

Question 4b: Fundraising Contracts. The Foundation has no immediate plans to retain any outside organization or individual to raise funds for it. However, the Foundation may, at some point in the future, engage the services of one or more professional fundraisers to assist with solicitations. If it does so, the Foundation will comply with all applicable provisions of California’s Nonprofit Integrity Act (the “NIA”). The NIA requires that charitable organizations enter into written contracts with commercial fundraisers or fundraising counsel for each solicitation campaign, event, or service, and specifies several provisions required to be included in such contracts. The NIA also requires all commercial fundraisers and fundraising counsel to register with the state prior to starting any solicitation. We have not attached any fundraising contracts because there are no such agreements in existence at this time.

Question 4d: Locales Where Fundraising Conducted. The Foundation will focus its early fundraising activities in California, where its directors live and work. However, because decentralization is of great concern to people throughout the United States as well as in other countries, the Foundation has no plans to limit its fundraising activities by geographic area. The Foundation has no plans either to fundraise for other organizations, or to allow other organizations to fundraise on its behalf or in its name. The Foundation may, however, receive donations from individuals via the websites of other organizations, including through online giving sites or online workplace giving programs.

Question 10: Intellectual Property. Although the Foundation does not plan a publishing program, it may from time to time publish brochures, reports, white papers, or other educational materials concerning the Foundation and its activities. Should the Foundation distribute materials connected with its charitable activities, it will do so in a noncommercial manner in compliance with Revenue Ruling 67-4, 1967-1 C.B. 121. Unless otherwise required

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by grant terms, the Foundation intends to retain the copyright on all of its published materials, which will not contain commercial advertising. The Foundation expects that any publication it may produce will be distributed without charge, or that, in rare instances, certain publications may be offered for purchase at up to fair market value.

Question 11: Non-cash Contributions Accepted. The Foundation has no current plans to solicit or accept contributions of closely-held securities, real property, intellectual property, licenses, royalties, vehicles, or collectibles. If offered such assets, however, the Board of Directors would evaluate the possible use to the organization's mission of any proffered in-kind gift, the risks and difficulties associated with holding or liquidating it, and any donor restrictions associated with the gift, on a case-by-case basis before deciding to accept any such gift. The Foundation would expect to liquidate all in-kind gifts promptly, unless they are useful in its operations or unless liquidation is prohibited by the donor. Should the Foundation decide to accept any such gift, the Foundation will ensure that the gift is properly documented, including any donor-imposed conditions or restrictions. The Foundation will not accept any in-kind gift subject to donor-imposed conditions or restrictions unless the Board of Directors determines that such conditions or restrictions are consistent with the Foundation's charitable purposes and programs.

Question 13b: How Grants/Loans/Distributions Further Exempt Purposes. The Foundation is in the process of developing its grantmaking program, and intends to make grants to community groups, educational courses, and projects that will expand the utility, understanding, and adoption of decentralized technologies, and make the findings of these projects widely available to the public. Organizations and individuals will be eligible to apply for these grants, as indicated above in **Part VI, Question 1, parts (a) and (b)**. The Foundation will base its grant-making decisions on whether the proposed activities encourage critical thinking and public discourse about decentralization technologies. The Foundation anticipates providing funding for three types of grants:

1) **Community Activity Grants:** These grants will be made to groups or individuals that will conduct programs that promote the understanding and adoption of decentralized technology, with a preference given to groups or individuals that have a history of holding events or conducting activities, and that are willing to discuss the limitations as well as the benefits of decentralized tech, even if that technology is preferred by the group or individual. Preference is given to groups or individuals that allow the public to attend, ideally free of charge.

2) **Educational Grants to Develop Content and Fund Courses:** Preference will be given to organizations that will present courses of instruction that hold classes at regular intervals (such as weekly), and to instructors with experience teaching or who have expertise in decentralized technology. The Foundation will also consider supporting courses that introduce the potential and limitations of decentralized technology to newcomers.

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3) **Research Grants:** The Foundation will initially focus on funding organizations or individuals whose research is related to coding and documentation that will have a direct impact on the utility or adoption of decentralized technologies and governance, and plans to make those methods widely available and accessible to the public at no cost. Preference will be given to research proposals that are not readily funded in a for-profit situation, and that have an obvious benefit to the community.

The Foundation will make distributions only to the following organizational recipients:

- (1) organizations exempt from federal income tax under Code Section 501(c)(3)
- and
- (2) other organizations exclusively for charitable, scientific, or educational purposes, with the Foundation retaining discretion and control (within the meaning of Revenue Ruling 68-489).

In addition, the Foundation may make grants to individuals that are restricted for the foregoing charitable, scientific, or educational purposes, and will maintain the records described in Revenue Ruling 56-304, 1956-2 C.B. 306.

Question 13c: Contracts. The Foundation has made one grant as of the date of this application. No written agreement was prepared for that grant, which was made to a public charity that is exempt from federal income tax under Code Section 501(c)(3). All grants to non-charitable organizations, and any grants to non-U.S. organizations, will be governed by written agreements with grantees. The Foundation also expects to use written grant agreements for grants to U.S. public charities in support of specific projects. The content of the agreements will vary depending on the grantee of the funded project and on whether the grantee is a U.S. public charity or a foreign organization. For example, the Foundation will build more protections into agreements with grantees that have been recently formed, are located in conflict zones, or present other factors judged by the Foundation to indicate a greater risk that assets may be diverted from charitable purposes. Please see the Supplemental Response to **Question 13f(ii)** below.

Question 13d: Recipient Organizations and Relationships. The Foundation has made one grant as of the date of this application. The grantee was the Kestrel Institute (<http://www.kestrel.edu>). The Foundation has no relationship with the grantee.

Question 13e: Recordkeeping. The Foundation plans to keep a file on each grant that it makes. In that file it will maintain notes and records related to its pre-grant inquiries (if any are appropriate under the circumstances), a copy of the signed grant agreement between the Foundation and its grantee (if any), a record of what funds under the grant agreement have been disbursed, copies of relevant reports on the use of the grant funds, and any other documents related to that grant.

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Question 13f: Description of Selection Process. Grantees will be selected by the Foundation's Board of Directors (or a person or persons to whom the Board has delegated selection authority), based on information obtained in response to the online application form, which is in the process of being developed.

Question 13f(i): Grant Application Form. Initially, the Foundation expects to invite potential grantees to submit applications through its website. The Foundation is currently in the process of developing its website and a grant application form. A copy of the draft grant application, as of the date of this filing, is attached.

Question 13f(ii): Grant Proposals and Agreements. Where appropriate, the Foundation will require potential grantees to submit a detailed description of how they would use funds provided by the Foundation. If the Foundation chooses to provide funding to an organization that is not a charity as defined under Sections 501(c)(3) and 509(a), the Foundation will first enter into a grant agreement with the organization before granting funds. The grant agreement will set forth the grantor's and grantee's responsibilities. It will require the grantee to use funds only for grant purposes, provide periodic written reports on the use of grant funds, provide ongoing written reports and accounting, and acknowledge the grantor's authority to withhold or recover funds if abuse occurs.

Question 13g: Oversight Procedures. The level of scrutiny will vary with the nature of the entity and the circumstances of the grant, as noted in the discussion of contracts in **Question 13c**. A grant to a U.S. organization with a proven record of effectiveness will require less oversight than a grant to a foreign organization that operates in a conflict zone, or in an area where corruption is endemic. As noted above in the Supplemental Response to **Question 13f**, the Foundation will require periodic reports and will review them to determine whether further inquiry is warranted.

Question 14: Grants/Loans/Distributions to Foreign Organizations.

Question 14b: Names of Foreign Grantees. While the Foundation does not currently plan to make grants to foreign organizations, it may decide to do so in the future.

Question 14d: Contributors' Knowledge of Sole Authority. While the Foundation will consider organizations suggested by individual donors, all funds received by the Foundation will remain under its full control in accordance with Article VIII, Section 5, of its Bylaws. The Foundation will make its decisions based on the criteria and procedures described above in answer to **Question 13**. The Foundation understands the importance of clearly informing its donors that it retains the ultimate authority to use contributions made to it for its own exempt purposes. The Foundation expects to make this information known to actual and potential donors through its website (once developed) and through print materials used in grant solicitation and other forms of fundraising. The Foundation may also include disclosures of the kind contemplated by this question in its donation receipts.

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Question 14e: Pre-Grant Inquiries. For all non-501(c)(3) grantees, whether foreign or domestic, the Foundation will investigate the organization's financial situation and its ability to accomplish the charitable purposes for which the particular grant is intended. A grantee's charitable or tax-exempt status, if any, will be noted in the Foundation's files. Grantees outside the U.S. may or may not be organized as charities, depending on the circumstances in the country where the grantee is located. In some countries, for example, registration as a charitable organization is difficult and costly, and effective organizations may not have charitable status; the Foundation does not want to exclude such organizations from eligibility for funding. Accordingly, the Foundation's pre-grant inquiries will focus on whether a grantee is organized and operated in a manner that enables it to carry out the Foundation's purposes. The Foundation will also assess the potential grantee's location and operations for any indication of higher than usual risk that charitable assets may be diverted to non-charitable purposes such as private benefit or, in the worst case, terrorist activities. (Where a grantee's location or operations indicate that there is a higher than usual risk that charitable assets may be diverted, the Foundation will take such steps as it believes are most likely to reduce the risk.) Additionally, the Foundation will assess the diversity, expertise, and commitment of a potential grantee's governing body and staff leadership. Finally, and importantly, the Foundation expects its grantees to be welcoming and inclusive of people from all ethnic groups and religious backgrounds.

Question 14f: Additional Oversight Procedures. Depending on the circumstances of particular grants, the Foundation may perform site visits or may engage accounting firms or consultants to perform additional oversight at the local level. Because the Foundation has not yet considered any grants to foreign recipients, it has not yet developed specific procedures. Furthermore, in making any grants to foreign organizations, the Foundation will at all times comply with rules issued by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and will adhere to all statutes, executive orders, and regulations restricting or prohibiting U.S. persons from engaging in transactions and dealings with countries, entities, or individuals subject to economic sanctions administered by OFAC. Specifically, the Foundation will:

- Check prospective grantees against the Specially Designated Nationals List maintained by OFAC;
- Require all overseas grantees to certify that they will not use any grant funds to support or engage in violent or terrorist activities;
- Conduct careful due diligence on each prospective grantee; and
- Promptly investigate any apparent misuse of grant funds.

Question 22: Scholarships, Fellowships, Educational Loans/Grants to Individuals. We attach a completed Schedule H.

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Schedule H: Educational Grants to Individuals, Section I.

Question 1: Description of Program. In the future, the Foundation may assist individuals to attend classes or to pursue their studies at educational institutions as described in Internal Revenue Code Section 170(b)(1)(A)(ii). Initially, however, any scholarship support is likely to take the form of grants to educational institutions which will select scholarship recipients themselves.

The program described here has not yet been implemented.

The Foundation may award scholarships and fellowships to students who demonstrate financial need and either (1) a record of academic achievement or (2) the potential, and the desire, for academic achievement. The Foundation may make gifts or loans, depending on the financial resources of the Foundation and of the applicant and on the ability of the student to repay a loan. The Foundation has not yet determined the amount of financial aid it will offer to students. When the Foundation is ready to implement this program, it will develop application forms and informational packets, and it will notify educational institutions that interested and qualified students may apply for aid. Applicants will be expected to document their financial need. When applicable, applicants may be asked to provide academic transcripts of prior academic work, and to submit an essay on a topic assigned by the Foundation. One or more of the Foundation's Board members may interview applicants. Recipients will be selected by the Foundation's Board of Directors. The Board may appoint an advisory committee of educators to assist in evaluating and selecting scholarship recipients.

Question 2: Case Histories. When the Foundation is ready to implement this program, it will maintain the records required by Revenue Ruling 56-304, 1956-2 C.B. 306, regarding distribution of charitable funds to individuals.

Question 3: Specific Criteria of Eligibility. When the Foundation is ready to implement this program, it will develop specific criteria. There will be no limitations or restrictions in the selection procedures based upon race, religion, national or ethnic origin, or other illegally discriminatory criteria. However, preference may be given to applicants from groups (such as racial and ethnic minorities) that have historically been denied opportunities and access. The Foundation may also impose other restrictions from time to time, such as additional geographic limitations (e.g., limited to students from disadvantaged rural and urban areas) or subject-related limitations (e.g., limited to students majoring in a particular topic). Individuals who are employed by the Foundation, employed by organizations controlled by a director of the Foundation, members of its Board of Directors, or related by blood or marriage to employees or directors of the Foundation or organizations controlled by a director of the Foundation, will not be eligible for grants from the Foundation. The number of potentially eligible individuals is too large and uncertain to estimate at this time.

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Question 4: Selection of Recipients.

4a: Specific Criteria for Selection. When the Foundation is ready to implement this program, it will develop specific criteria. As indicated above, its objective will be to identify students who demonstrate financial need and either (1) a record of academic achievement or (2) the potential, and the desire, for academic achievement.

4b and c: Number and Amount of Scholarships. The number and amount of scholarships which the Foundation may make to individuals will depend on the quantity and quality of applications received by the Foundation, the philanthropic priorities of the Foundation's Board of Directors, and the funds available. As this program has not yet been implemented, it is not possible to estimate how many scholarships will be made each year to individuals.

4d: Criteria for Obtaining Grant Renewal. The Foundation currently has not developed any criteria for renewing grants. It may make single-year grants.

Question 5: Supervision of Scholarships. As with its other individual grants, the Foundation will require each recipient to sign a Scholarship Agreement before any funds are disbursed. Using the reports required by the Scholarship Agreement, the Foundation will monitor and evaluate the expenditure of funds and the progress made by each recipient. Any apparent misuse of grant funds will be promptly investigated. If the Foundation discovers that funds have, in fact, been misused, it will require the recipient to return the funds immediately, and it will make no further distributions to that recipient. The Foundation will also maintain the records required by Revenue Ruling 56-304, 1956-2 C.B. 306, regarding distribution of charitable funds to individuals.

Question 6: Selection Committee. The Board of Directors or persons it designates will select grant recipients.