**Part I**

**Line VII**

CEL filed Form 990 EZ in 2008, and filed Forms 990 from 2009 to the present. All forms were filed electronically.

**Part II**

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

The specific purpose for which CEL was formed is to advocate for, and on behalf of, an informed citizenry through the use of digital media and information technology consistent with activities permissible to an organization exempt under Section 501(c)(4) of the Internal Revenue Code (IRC). This will be accomplished by incubating tech-savvy, people-powered organizing initiatives, facilitating collaboration across these initiatives, and evolving the practice of technology-fueled organizing.

**Past, Present, and Planned Activities**

1. Incubation of Education Funds

CEL incubates educational funds that are created as internal programs within CEL that operate consistent with IRC Section 501(c)(3) (“Education Funds”). No part of the restricted funds raised for these Education Funds are used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office. These Education Funds are each advised, under the ultimate control and discretion of CEL’s Board of Directors, by an advisory committee that may later have the right to spin off a new 501(c)(3) organization to take over the activities of the respective Education Fund pursuant to a comprehensive fiscal sponsorship agreement. See Exhibit A (Form of Fiscal Sponsorship Agreement) attached hereto.

Certain Education Funds may be affiliated by name and general mission with a separate 501(c)(4) organization (each, an “Allied Organization”). A significant part of CEL’s role is to ensure proper separation between an Education Fund and an Allied Organization and to ensure that the Education Fund resources are not used for any activity impermissible to a 501(c)(3) organization. This is necessary to comply with the grant agreements governing the grants received by CEL in furtherance of an Education Fund. CEL is better positioned, as an incubator organization, to receive and manage such grants than the Allied Organizations that are more focused on their advocacy efforts.(This has been recognized by CEL’s funders including private foundations, including the Ford Foundation, which has made expenditure responsibility grants to CEL in the past). The Education Funds are programs of CEL, are under CEL’s control, governed by CEL’s Board. CEL and the Allied Organizations may have a minority of overlapping directors.

*Table of CEL’s Education Funds and associated Allied Organizations*

|  |  |  |
| --- | --- | --- |
| **CEL’s Education Funds** | **Allied Organizations** | **Timeline** |
| Presente Education Fund | Presente Action | Jun 2009 - Present |
| Ultraviolet Education Fund | Ultraviolet Action | Jan 2012 - Present |
| Climate Project | n/a | Jan 2012 - Present |
| Faithful America | n/a | Jan 2013 - Present |
| 18Million Rising | n/a | Sept 2012 - Present |
| Culture Strike 5 | n/a | Aug 2010 - Present |
| ColorOfChange Education Fund | ColorOfChange.org | Jan 2008 – Dec 2012 |
| FoodDemocracyNow | n/a | Aug 2009 – Dec 2010 |

Current Incubations

The goal of **Ultraviolet Education Fund** is to expand women’s rights and combat sexism everywhere – from politics and government to media and pop culture. Using a variety of strategies, including digital advocacy, Ultraviolet Education Fund promotes and provides ways for its members to be educated and have a say about these issues.

Ultraviolet Education Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California, Washington DC, and New York City. Ultraviolet Education Fund furthers the social welfare purposes of CEL and the charitable and educational components of Ultraviolet, an unincorporated association formed in the District of Columbia, by promoting the advocacy for, and on behalf of, an informed citizenry on issues facing women.

CEL devotes roughly 13% of its time and resources to Ultraviolet Education Fund.

The goal of **Presente Education Fund** is to amplify the political voice of Latino communities. Using a variety of tactics, Presente Education Fund promotes and provides ways for its members to be educated and have a say about the issues they care about, including human rights, media bias against Latinos, and political accountability. Presente Education Fund seeks to support a centralized organizing hub for issues facing Latinos, with a focus on education and online activation.

Presente Education Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California, and New York City. Presente Education Fund furthers the social welfare purposes of CEL and the charitable and educational components of Presente Action, a California nonprofit corporation, by promoting the advocacy for, and on behalf of, an informed citizenry on issues facing Latinos.

CEL devotes roughly 12% of its time and resources to Presente Education Fund.

The goal of **The Faithful America Fund** is to empower Christians to challenge right-wing extremism and reclaim their faith as a force for social and economic justice through building online communities.

The Faithful America Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California, Washington DC, and New York City. The Faithful America Fund Education Fund furthers the social welfare purposes of CEL by pushing back against far-right leaders and institutions who purport to represent the whole of American Christianity and organizing and promoting the idea that Christians can be a force for positive social change in America.

CEL devotes roughly 5 % of its time and resources to The Faithful America Education Fund.

The goal of **The 18 Million Rising Education Fund** is to build a place for progressive Asian Americans and Pacific Islanders to discuss core issues like immigration, the economy, health care, the environment and education.

The 18 Million Rising Education Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California and New York City. The C18 Million Rising Education Fund furthers the social welfare purposes of CEL building greater connectivity between established, older AAPI leadership and young, online “netizens;”producing a venue for, if not a culture of, elevating flashpoint moments that the AAPI community can rally behind; informing AAPI communities of issues, events and moments that affect them; and lowering the barrier to entry to sociopolitical participation online to leverage the level of online activity that already exists in the community.

CEL devotes roughly 5% of its time and resources to The 18 Million Rising Education Fund.

The goal of **The Culture Strike Education Fund** is to use artists, writers, filmmakers, and performers to educate the public on issues of immigration and migrant rights. It seeks to infuse values of freedom, fairness, and justice into the civic discourse.

Culture Strike Education Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are primarily conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California and New York City. The Culture Strike Education Fund furthers the social welfare purposes of CEL by promoting the advocacy for, and on behalf of, an informed citizenry to make ensure the humanity of migrants and help fight anti-migrant hate.

CEL devotes roughly 5 % of its time and resources to The Culture Strike Fund.

Past Incubations

The goal of **The ColorOfChange Education Fund** is to strengthen Black America's political voice, and to make government more responsive to the concerns of Black Americans, on pressing issues such ascriminal justice, economic justice, and education. Using the Internet – e.g., email news alerts, online discussion forums – The ColorOfChange Education Fund enables its members to speak in unison, with an amplified political voice, via online petitions, letters to political officials, and via social media and email campaigns. The ColorOfChange Education Fund keeps its members informed about the most pressing issues for Black people in America, and educates them on ways to act– through letter-writing campaigns to legislators, acting through community town hall events, etc.

The ColorOfChange Education Fund educates and lobbies elected representatives using email, the telephone, and face-to-face meetings. The ColorOfChange Education Fund resources are spent only on 501(c)(3)-consistent activities. Its activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California, Washington DC, and New York City. The ColorOfChange Education Fund furthers the social welfare purposes of CEL and the charitable and educational components of ColorOfChange.org, a California nonprofit corporation, by promoting the advocacy for, and on behalf of, an informed citizenry to make sure all Americans are represented, served, and protected – regardless of race or class.

CEL devoted roughly 20% of its time and resources to ColorofChange during its sponsorship.

**FoodDemocracyNow** (“FDN”) is a national grassroots initiative led by farmers, writers, and food policy advocates to promote sustainable and natural food systems. Its members are organized around issues including organic and GMO food labeling, and the break-up of corporate food monopolies. CEL fiscally sponsored FDN as an internal program of CEL from August of 2009 to December 2010. During such time, FDN organized the following online letter campaigns:

* Campaign encouraging the USDA to investigate an industry-based food labeling program called “Smart Choices” for deceptive advertising, as the campaign labeled unhealthy foods such as sugar cereals “smart choices” for parents and children.
* Campaign encouraging the USDA to investigate anti-trust violations in industries such as poultry and dairy. The campaign gathered signatures of concerned citizens and delivered them to USDA officials. FDN staff also attended the USDA sponsored listening sessions and provided updates to FDN members about those sessions.
* Campaign supporting the “Let's Move” campaign against childhood obesity and its root causes in our flawed food system that was launched by First Lady Michelle Obama. The campaign sought to build grassroots support among everyday people for the First Lady's initiative.

CEL devoted roughly 10% of its time and resources to FDN during its sponsorship.

2. Fundraising

CEL devotes 15% of its time to fundraising.

3. Administration

CEL devotes 20% of its time to general operations and administration.

4. Capacity-Building Support

CEL provides capacity-building support to other tax-exempt organizations, all of which pursue a mission consistent with CEL’s social welfare purpose. These organizations include the “Allies” and certain other organizations (described in Line 10) consistent with CEL’s social welfare purpose. This support includes programmatic and operational services designed to incubate and accelerate these organizations’ abilities to effectively and efficiently advance their missions. Such services may include general administration, strategic consulting, financial management, information technology, communications (including web design specifically for social welfare advocacy work), marketing, and fundraising, each with a specialized focus on maximizing the efficacy of an Ally’s social welfare purpose, which serves to advance CEL’s own exempt purposes. CEL’s expertise in these areas allows it to serve as a “Strategic Incubator and Accelerator,” furthering its mission by strengthening its Allies, which are expected to adhere to three core principles:

1. Values that include social and economic equality, environmental sustainability, civil rights and liberties, feminism, anti-racism, and/or democratic empowerment.
2. Initiatives that seek to wield the direct influence of ordinary people as their primary strategy for creating change (which points strongly towards independence from political parties or any conflicting institutional affiliation, as well as towards a deep ethic of “member service,” broad-based grassroots participation, and member-led priority setting and decision making.
3. Use of technology – email, web-based tools, social networks, digital media, and text messaging – as an indispensible part of organizing and engaging large numbers of concerned citizens in coordinated campaigns.

Such services have been provided to Allies, including the Allied Organizations, beginning in January 2008. These activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California, and New York City.

CEL’s capacity-building support directly furthers CEL’s own exempt purposes because such support is provided *only* to organizations that have social welfare purposes consistent with CEL’s and with the CEL Board’s approval.

CEL devotes 8-10 % of its time and resources to increasing its Capacity-Building Support.

5. Advocacy related to Publicly Elected Officials

A minimal amount of CEL’s time CEL is spent in advocacy activities in furthering its social welfare purposes. CEL runs programs which bring citizens together to call on public- and private-sector decision makers to change policies in accordance with the interests and values of their constituents and/or consumers.

Presently, CEL’s advocacy work was limited to the following three climate-related initiatives run by **Climate Action Fund Project.**

*2012 U.S. Presidential Race.* CEL ran a campaign called Climate Silence (located at [ClimateSilence.org](http://ClimateSilence.org/)). The purpose of the campaign was to educate voters about the positions the two U.S. Presidential candidates had taken over time on climate change. CEL spent approximately $19,500 on this activity.

Romney vs. Sandy web video - CEL produced a video that interspersed footage from Mitt Romney's Republican National Convention speech with footage from Hurricane Sandy. CEL then created a 30-second version of the Romney vs. Sandy video and purchased TV ad space in North Virginia and Ohio in November of 2012. CEL spent approximately $15,000 on this activity.

*Elected Officials.*  \*Google / Inhofe campaign - CEL is currently running a campaign that urges Google to stop raising money for climate change denying politicians like James Inhofe. The campaign petition can be viewed here. CEL spent approximately $5,500 on this activity.

CEL facilitates this communication via a full range of online media, including email, viral videos and social network platforms, as well as encouraging citizens to gather and communicate offline, through such traditional means as local rallies, information sessions, direct phone and written communication with the relevant decision makers. It also conducts the Video the Vote program during presidential election cycles which enables the public to document and monitor activities at polling places on election day.

CEL's advocacy efforts, including in addition to those related to the categories of activities described above (e.g., incubation, capacity building, fiscal sponsorship), may include producing and distributing bumper stickers and other signs. See Exhibit B (Examples of CEL’s Advocacy Materials) attached hereto. All such activities are conducted by CEL volunteers, contractors, and employees at CEL’s offices in Berkeley, California and New York City.

CEL currently devotes less than 2% of its time and resources to Advocacy. In future years, it may devote more time to Advocacy work.

Planned Changes to Incubation of Education Funds

CEL plans to transfer all of its Education Fund programs to CEL Education Fund, a 501(c)(3) organization, related to CEL and described in detail herein in Line 2 by January 2014. After the transfer of the Education Funds, CEL primary activities will be providing Capacity building-support to CEL Ed Fund, and other tax-exempt organizations (as described herein) and to growing its advocacy activities.

**Line 2: List the organization’s present and future sources of financial support, beginning with the largest source first.**

* Foundations – 91%
* Capacity Building Program Revenues - 8% (described more in Part II, Line 10 of this Attachment)
* Individual donors – less than 1%
* Sublease Income – less than 1%

**Line 5: If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).**

*CEL Education Fund.*CEL and Citizen Engagement Laboratory Educational Fund (CEL Ed Fund), a California nonprofit public benefit corporation formed in August 10, 2011 and recognized as a public charity exempt under 501(c)(3) (“CEL Ed Fund”), have entered into a preapproved grant relationship agreement through which the CEL Ed Fund Board has vetted CEL as a suitable recipient of grant funds to be used exclusively for charitable purposes of “promoting an informed citizenry through the use of digital media and information technology, within the range of permissible activities consistent with IRC Section 501(c)(3).”  See Exhibit C attached hereto. CEL Ed Fund is not under any contractual obligation to make grants to CEL. Under their agreement, CEL must provide annual reports to CEL Ed Fund of its grant expenditures and compliance with the terms of the agreement, and CEL must repay to CEL Ed Fund any portion of any grant that is not spent or committed for the 501(c)(3)-consistent grant purposes.  Each CEL Ed Fund grant to CEL is pursuant to a separate regrant agreement detailing the specific grant purposes.

CEL and CEL Education Fund are connected by a provision in the bylaws of CEL Ed Fund providing that its initial directors shall be designated by CEL; provided, however, that “not more than 49% of the persons serving on the [CEL Ed Fund] Board at any one time may be concurrently serving as officers, directors, or employees of [CEL].” Such limitation serves to help assure that a majority of the board of directors of CEL Ed Fund are independent with respect to CEL.

For cost-efficiency purposes, CEL and CEL Ed Fund share certain resources pursuant to that certain Resource Sharing Agreement between the parties dated October 1, 2011, pursuant to which each party pays its proportionate share of the costs. See Exhibit D attached hereto. As stated in the Recitals to such Agreement:

* The parties intend to affiliate and to share certain non-human resources, such as office space, furniture, and equipment, and to jointly employ certain human resources.
* In order for each party to conduct activities in the most economical fashion, the parties desire to enter into a contractual relationship to govern which party shall provide certain payroll, benefits administration, Agreement administration, and website hosting services, to clarify that neither party shall interfere with the other party’s relationship with its human resources, ownership of intellectual property, or tax-exempt status, and to agree to a method, based on each party’s actual use of resources, for the reasonable allocation between the parties of the expenses associated with use of shared or joint resources. The parties intend that the [CEL] Ed Fund shall not pay more than fair market value for any goods or services provided to it by CEL.

*Allied Organizations.*Certain education funds that are a part of CEL and described in Part II, Line 1 of this Attachment (collectively, the “Integrated Education Funds”) are affiliated with a separate 501(c)(4) organization by name and general mission (referenced in Part II, Line 1, collectively, as the “Allied Organizations”); provided, however, that the Integrated Education Funds are restricted to operating exclusively for 501(c)(3) purposes within the meaning of IRC Section 501(c)(3).  Leaders of the Allied Organizations advise (*but do not direct or control*) CEL on priorities of the respective Integrated Education Funds.  The Allied Organizations are Presente Action and Ultraviolet Action. CEL Ed Fund, at its sole discretion, may make restricted controlled grants to CEL, exclusively in furtherance of the 501(c)(3)-consistent purposes and activities of an Integrated Education Fund.

**Line 10: Does, or will, any part of your organization’s receipts represent payments for services performed or to be performed? If “Yes,” state in detail the amount received and the character of the services performed or to be performed.**

CEL charges other tax-exempt organizations, all of which pursue a mission consistent with CEL’s social welfare purposes, fees for certain programmatic and operational services designed to incubate and accelerate their abilities to effectively and efficiently advance their missions. Such services may include general administration, strategic consulting, financial management, information technology, communications, marketing, and fundraising. Capacity Building Program Revenues current make up 8% of CEL’s revenue. (See Line 2, financial support.) See also, Part II, Line 1 of this Attachment (Capacity-Building Support) for further details.

The amounts projected to be received from such payments for services are reflected on Part III.A of this Attachment.

**Line 14: Does the organization now lease or does it plan to lease any property?**

CEL currently has leases in Berkeley, California and New York City, New York. CEL has no relationships with each of the lessors other than through the respective lease agreements. The amount of rent and description of property for each lease are as described in the respective lease agreements. See Exhibit E (Leases) attached hereto.

**Line 15: Does the organization now lease or does it plan to lease any property?**

In 2012-2013, CEL has engaged in a minimal amount of activities related to publicly elected offices including U.S. Presidential Race, as described herein in Part II, Line 1.

**Line 16: Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed materials?**

See Exhibit F (Recent Copies of Published Printed Materials).