



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2012

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation <b>The Douglas Machine Foundation</b>		A Employer identification number <b>20-8979641</b>
Number and street (or P O box number if mail is not delivered to street address) <b>3404 Iowa Street</b>		B Telephone number (see instructions) <b>320-762-6237</b>
City or town, state, and ZIP code <b>Alexandria, MN 56308</b>		C If exemption application is pending, check here ► <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
SCANNED JUN 05 2013 Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	75,000			
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	15	15	15	
	4 Dividends and interest from securities . . . . .				
	5a Gross rents . . . . .				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a _____				
	7 Capital gain net income (from Part IV, line 2) . . .				
	8 Net short-term capital gain . . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold . . . . .					
c Gross profit or (loss) (attach schedule) . . . . .					
11 Other income (attach schedule) . . . . .					
12 Total. Add lines 1 through 11 . . . . .	75,015	15	15		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .				
	b Accounting fees (attach schedule) . . . . .				
	c Other professional fees (attach schedule) . . . . .				
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see instructions) . . . . .				
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) . . . . .	66	66	66	66
	24 Total operating and administrative expenses.				
Add lines 13 through 23 . . . . .	66	66	66	66	
25 Contributions, gifts, grants paid . . . . .	87,251			87,251	
26 Total expenses and disbursements. Add lines 24 and 25	87,317	66	66	87,317	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(12,302)				
b Net investment income (if negative, enter -0-)		0			
c Adjusted net income (if negative, enter -0-)			0		

P  
33

<b>Part II</b>	<b>Balance Sheets</b>	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	<b>Beginning of year</b>	<b>End of year</b>	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
	<b>1</b> Cash—non-interest-bearing				
	<b>2</b> Savings and temporary cash investments		<b>27,645</b>	<b>15,343</b>	<b>15,343</b>
	<b>3</b> Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	<b>4</b> Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	<b>5</b> Grants receivable				
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	<b>7</b> Other notes and loans receivable (attach schedule) ►				
	Less: allowance for doubtful accounts ►				
<b>Assets</b>	<b>8</b> Inventories for sale or use				
	<b>9</b> Prepaid expenses and deferred charges				
	<b>10a</b> Investments—U.S. and state government obligations (attach schedule)				
	<b>b</b> Investments—corporate stock (attach schedule)				
	<b>c</b> Investments—corporate bonds (attach schedule)				
	<b>11</b> Investments—land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►				
	<b>12</b> Investments—mortgage loans				
	<b>13</b> Investments—other (attach schedule)				
	<b>14</b> Land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►				
	<b>15</b> Other assets (describe ► )				
	<b>16</b> <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)		<b>27,645</b>	<b>15,343</b>	<b>15,343</b>
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses				
	<b>18</b> Grants payable				
	<b>19</b> Deferred revenue				
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons				
	<b>21</b> Mortgages and other notes payable (attach schedule)				
	<b>22</b> Other liabilities (describe ► )				
	<b>23</b> <b>Total liabilities</b> (add lines 17 through 22)				
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here ► <input type="checkbox"/></b> and complete lines 24 through 26 and lines 30 and 31.				
	<b>24</b> Unrestricted				
	<b>25</b> Temporarily restricted				
	<b>26</b> Permanently restricted				
	<b>Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/></b> and complete lines 27 through 31.				
	<b>27</b> Capital stock, trust principal, or current funds		<b>27,645</b>	<b>15,343</b>	
	<b>28</b> Paid-in or capital surplus, or land, bldg., and equipment fund				
	<b>29</b> Retained earnings, accumulated income, endowment, or other funds				
	<b>30</b> <b>Total net assets or fund balances</b> (see instructions)		<b>27,645</b>	<b>15,343</b>	
	<b>31</b> <b>Total liabilities and net assets/fund balances</b> (see instructions)		<b>0</b>	<b>0</b>	

**Part III Analysis of Changes in Net Assets or Fund Balances**

<b>1</b> Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	<b>1</b>	<b>27,645</b>
<b>2</b> Enter amount from Part I, line 27a	<b>2</b>	<b>(12,302)</b>
<b>3</b> Other increases not included in line 2 (itemize) ►	<b>3</b>	<b>0</b>
<b>4</b> Add lines 1, 2, and 3	<b>4</b>	<b>15,343</b>
<b>5</b> Decreases not included in line 2 (itemize) ►	<b>5</b>	<b>0</b>
<b>6</b> Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	<b>6</b>	<b>15,343</b>

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a					
b					
c					
d					
e					
	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . .			3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	126,571	27,899	4.54
2010	135,842	59,961	2.27
2009	132,029	65,367	2.02
2008	64,029	33,982	1.88
2007			

2 Total of line 1, column (d)	10.71
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	2.68
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	25,444
5 Multiply line 4 by line 3	68,190
6 Enter 1% of net investment income (1% of Part I, line 27b)	0
7 Add lines 5 and 6	68,190
8 Enter qualifying distributions from Part XII, line 4	87,317

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter. _____ <b>[attach copy of letter if necessary—see instructions]</b>	1	0
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2 . . . . .	3	0
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5	0
6	<b>Credits/Payments:</b>		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
b	Exempt foreign organizations—tax withheld at source . . . . .	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld . . . . .	6d	
7	Total credits and payments. Add lines 6a through 6d . . . . .	7	0
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . . ►	9	0
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . . ►	10	0
11	Enter the amount of line 10 to be <b>Credited to 2013 estimated tax</b> ►	11	Refunded

**Part VII-A Statements Regarding Activities**

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .	1a	✓
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . . . .	1b	✓
<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>			
1c	Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .	1c	✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ► \$ _____ (2) On foundation managers. ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>	2	✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .	3	✓
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	4a	✓
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	4b	✓
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	6	✓
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	7	✓
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► <b>Minnesota</b>	8b	✓
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i> . . . . .	9	✓
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> . . . . .	10	✓
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> . . . . .		

**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) . . . . .	11	✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) . . . . .	12	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓
14	The books are in care of ► Thomas Wosepka Located at ► 3404 Iowa Street, Alexandria, MN	Telephone no. ► 320-762-6237 ZIP+4 ► 56308-3345	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here, and enter the amount of tax-exempt interest received or accrued during the year . . . . . ► 15		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes ✓

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File **Form 4720** if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . (6) Agree to pay money or property to a government official? ( <b>Exception.</b> Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
1b	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . . Organizations relying on a current notice regarding disaster assistance check here ►		
1c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012? . . . . .		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? . . . . . If "Yes," list the years ► 20 ___, 20 ___, 20 ___, 20 ___. b Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to <b>all</b> years listed, answer "No" and attach statement—see instructions). c If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. ► 20 ___, 20 ___, 20 ___, 20 ___	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i> ) . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		✓
4b			✓

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ►

**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?  Yes  No  
*If "Yes," attach the statement required by Regulations section 53.4945–5(d).*

**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  
*If "Yes" to 6b, file Form 8870.*

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  Yes  No

**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Vern Anderson				
5266 Cty Rd 91 SW, Alexandria, MN	Chairman (2)	0	0	0
Rick Paulsen				
12200 Maple Springs Drive SE, Alexandria, MN	President (1)	0	0	0
Thomas Wosepka				
3211 West Lake Jessie Drive SE, Alexandria, MN	Treasurer (2)	0	0	0
Jon Ballou				
2250 Pleasant View Lane, Alexandria, MN	Secretary (1)	0	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
<b>Total</b> number of other employees paid over \$50,000				► 0

**Part VIII** **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

**Total** number of others receiving over \$50,000 for professional services . . . . . ► 0

## **Part IX-A      Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
<b>1</b>	<b>NONE</b>	
<b>2</b>		
<b>3</b>		
<b>4</b>		

**Part IX-B      Summary of Program-Related Investments (see instructions)**

Description of program-related investments (see instructions)		Amount
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		
<b>1</b>	<b>NONE</b>	
	.....	
<b>2</b>		
	.....	
All other program-related investments See instructions		
<b>3</b>		
	.....	
<b>Total.</b> Add lines 1 through 3		► 0

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	0
b	Average of monthly cash balances	1b	25,831
c	Fair market value of all other assets (see instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	25,831
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	25,831
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	387
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	25,444
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	1,272

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ►  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,272
2a	Tax on investment income for 2012 from Part VI, line 5	2a	
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,272
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	1,272
6	Deduction from distributable amount (see instructions)	6	0
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,272

**Part XII Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	87,317
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	87,317
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	87,317

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
<b>1</b> Distributable amount for 2012 from Part XI, line 7 . . . . .				1,272
<b>2</b> Undistributed income, if any, as of the end of 2012:				
<b>a</b> Enter amount for 2011 only . . . . .			0	
<b>b</b> Total for prior years: 20 ____,20 ____,20 ____		0		
<b>3</b> Excess distributions carryover, if any, to 2012:				
<b>a</b> From 2007 . . . . .				
<b>b</b> From 2008 . . . . .				
<b>c</b> From 2009 . . . . .				
<b>d</b> From 2010 . . . . .				
<b>e</b> From 2011 . . . . .				
<b>f</b> <b>Total</b> of lines 3a through e . . . . .	0			
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4: ► \$ _____			0	
<b>a</b> Applied to 2011, but not more than line 2a . . . . .			0	
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions) . . . . .		0		
<b>c</b> Treated as distributions out of corpus (Election required—see instructions) . . . . .	0			
<b>d</b> Applied to 2012 distributable amount . . . . .			0	
<b>e</b> Remaining amount distributed out of corpus . . . . .	0			
<b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	0			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		0		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .		0		
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see instructions . . . . .		0		
<b>e</b> Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions . . . . .			0	
<b>f</b> Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 . . . . .			0	
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .	0			
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .	0			
<b>9</b> <b>Excess distributions carryover to 2013.</b> Subtract lines 7 and 8 from line 6a . . . . .	0			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2008 . . . . .				
<b>b</b> Excess from 2009 . . . . .				
<b>c</b> Excess from 2010 . . . . .				
<b>d</b> Excess from 2011 . . . . .				
<b>e</b> Excess from 2012 . . . . .				

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

<b>1a</b>	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ►																																					
<b>b</b>	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)																																					
<b>2a</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 25%;">Tax year</th> <th colspan="3" style="text-align: center;">Prior 3 years</th> <th rowspan="2" style="text-align: center; vertical-align: middle;">(e) Total</th> </tr> <tr> <th style="text-align: left;">(a) 2012</th> <th style="text-align: center;">(b) 2011</th> <th style="text-align: center;">(c) 2010</th> <th style="text-align: center;">(d) 2009</th> </tr> </thead> <tbody> <tr><td>Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .</td><td></td><td></td><td></td><td></td></tr> <tr><td><b>b</b> 85% of line 2a . . . . .</td><td></td><td></td><td></td><td></td></tr> <tr><td><b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .</td><td></td><td></td><td></td><td></td></tr> <tr><td><b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .</td><td></td><td></td><td></td><td></td></tr> <tr><td><b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .</td><td></td><td></td><td></td><td></td></tr> </tbody> </table>				Tax year	Prior 3 years			(e) Total	(a) 2012	(b) 2011	(c) 2010	(d) 2009	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					<b>b</b> 85% of line 2a . . . . .					<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .				
Tax year	Prior 3 years			(e) Total																																		
(a) 2012	(b) 2011	(c) 2010	(d) 2009																																			
Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .																																						
<b>b</b> 85% of line 2a . . . . .																																						
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .																																						
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .																																						
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .																																						
<b>3</b>	Complete 3a, b, or c for the alternative test relied upon:																																					
<b>a</b>	"Assets" alternative test—enter:																																					
(1)	Value of all assets . . . . .																																					
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .																																					
<b>b</b>	"Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed . . . . .																																					
<b>c</b>	"Support" alternative test—enter:																																					
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .																																					
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .																																					
(3)	Largest amount of support from an exempt organization . . . . .																																					
(4)	Gross investment income . . . . .																																					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

**NONE**

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

**NONE****2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ►  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

**see attached**

**b** The form in which applications should be submitted and information and materials they should include:

**see attached**

**c** Any submission deadlines:

**NO**

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**see attached**

**Part XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
see attached				
<b>Total</b>				► 3a
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1</b>	Program service revenue:					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
<b>2</b>	Membership dues and assessments					
<b>3</b>	Interest on savings and temporary cash investments					
<b>4</b>	Dividends and interest from securities					
<b>5</b>	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
<b>6</b>	Net rental income or (loss) from personal property					
<b>7</b>	Other investment income					
<b>8</b>	Gain or (loss) from sales of assets other than inventory					
<b>9</b>	Net income or (loss) from special events					
<b>10</b>	Gross profit or (loss) from sales of inventory					
<b>11</b>	Other revenue: a					
b						
c						
d						
e						
<b>12</b>	Subtotal. Add columns (b), (d), and (e)					
<b>13</b>	Total. Add line 12, columns (b), (d), and (e)					
(See worksheet in line 13 instructions to verify calculations.)						

(See worksheet in line 13 instructions to verify calculations.)

**Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

**Part XVII** **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1)	Cash . . . . .	1a(1)	✓
(2)	Other assets . . . . .	1a(2)	✓
b	Other transactions.		
(1)	Sales of assets to a noncharitable exempt organization . . . . .	1b(1)	✓
(2)	Purchases of assets from a noncharitable exempt organization . . . . .	1b(2)	✓
(3)	Rental of facilities, equipment, or other assets . . . . .	1b(3)	✓
(4)	Reimbursement arrangements . . . . .	1b(4)	✓
(5)	Loans or loan guarantees . . . . .	1b(5)	✓
(6)	Performance of services or membership or fundraising solicitations . . . . .	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .	1c	✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? . . . . .  Yes  No

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if  
self-employed

— 10 —

Date

---

**Title**

**Title**

Finals FIN ►

**Firm's name** ►

**Firm's EIN**

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

**2012**

Name of the organization

The Douglas Machine Foundation

Employer identification number

20-8979641

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)( ) (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule** For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.**Special Rules** For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II. For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III. For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

The Douglas Machine Foundation

Employer identification number

20-8979641

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Douglas Machine Inc. 3404 Iowa Street Alexandria, MN 56308	\$ 75,000	<input checked="" type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash
			(Complete Part II if there is a noncash contribution.)

Name of organization

The Douglas Machine Foundation

Employer identification number

20-8979641

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

---

**Name of organization**

**Employer identification number**

### The Douglas Machine Foundation

20-8979641

### Part III

**Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.)

Use duplicate copies of Part III if additional space is needed.

<u>Name and Address</u>	<u>Relationship to Foundation Manager or Contributor</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of grant or contribution</u>	<u>Amount</u>
Alexandria Area YMCA 901 Highway 29 North Alexandria, MN 56308	None	N/A	Strong Kids Program	2,000 00
Birthright of Alexandria Alexandria, MN 56308	None	N/A	Crisis Pregnancy Support	3,000.00
Let's Go Fishing Kids Alexandria, MN 56308	None	N/A	Kid's Education	1,000 00
Alex Tech College Foundation Alexandria, MN 56308	None	N/A	Education	5,000 00
Metro Anesthesia Minneapolis, MN 55437	None	N/A	Medical Care	98 70
LOVE Inc Alexandria, MN 56308	None	N/A	Crisis Support & Counseling	5,222 00
Titus 2 Homes P O Box 938 Alexandria, MN 56308	None	N/A	Women & Children Shelter	3,000 00
Kids Against Hunger Alexandria, MN 56308	None	N/A	Fighting Poverty	1,000 00
Youth For Christ Alexandria, MN 56308	None	N/A	Youth Outreach	1,500 00
Smokie Timbers Foundation 15567 Smokey Timbers Road Miltona, MN 56354	None	N/A	Environmental Preservation and Youth Camp	8,000 00
Allina Minneapolis, MN 55407	None	N/A	Medical Care	3,265 43
Regeneration Center PO Box 1196 Alexandria, MN 56308	None	N/A	Program to support recently released prisoners	2,500 00
MN Teen Challenge 1619 Portland Avenue S Minneapolis, MN 55404	None	N/A	Drug & Alcohol rehabilitation programs	20,000 00
Center For Imaging Minneapolis, MN 55485	None	N/A	Medical Care	165 80
Unity Foundation P O Box 1240 Alexandria, MN 56308	None	N/A	Community Christian business outreach	7,500 00
Suburban Imaging Minneapolis, MN 55437	None	N/A	Medical Care	1,566 06
Knute Nelson Foundation 803 North Nokomis NE Alexandria, MN 56308	None	N/A	Senior citizen housing	8,400 00
REA Alexandria, MN 56308	None	N/A	Housing Support	421 61
Elder Network 506 Jefferson Street Alexandria, MN 56308	None	N/A	Support for senior citizens	5,000 00
Sanford Health Alexandria, MN	None	N/A	Medical Care	797 55
MN Lakes Maritime Museum 205 3rd Avenue West Alexandria, MN 56308	None	N/A	Capital Drive	6,814 00
Runestone Museum Foundation Alexandria, MN 56308	None	N/A	Capital Drive	1,000 00

## Part XV Supplementary Information Exhibit A

### THE DOUGLAS MACHINE FOUNDATION

The Douglas Machine Foundation was created in 2007 to focus the philanthropic resources of Douglas Machine on community needs. Most of our resources are primarily focused on communities surrounding Alexandria and Deerwood

Minnesota. The Foundation's mission is to provide financial support to nonprofit organizations that focus on community improvement through social services, education and various faith-based initiatives. Douglas Machine's Community Stewardship encompasses all aspects of our philanthropy including Foundation contributions, volunteerism, and in-kind gifts.

The Douglas Machine Foundation's objectives are to:

- Improve the quality of life in our communities.
- Support Douglas Machine employees giving to United Way, social services, education and faith-based organizations through a gift-matching program.

The Foundation's grants will focus mainly on three areas:

- Social Services – supporting programs that seek to either strengthen families or serve the needs of disadvantaged people.
- Education – supporting programs that emphasize student academic achievement and provide scholarships.
- Faith-Based Initiatives – supporting education, health, human and social services programs that apply Biblical principles to nurture the physical, emotional, intellectual, and spiritual wellness of people.

When evaluating requests, the Douglas Machine Foundation will favor organizations meeting the following criteria:

- Mission is closely related to the Foundation's focus areas.
- Programs or activities involving Douglas Machine employees and retirees.
- Services create sustainable community improvement.

The Douglas Machine Foundation typically receives many more requests than it can support. A decision to decline a request does not imply that the applicant's program is not needed or valued.

but simply that it does not fall within our giving guidelines or priorities, or that funds are not available.

**As a standard practice, the Foundation does not support:**

- Organizations without 501(c)(3) and 509(a) status.
- Individuals.
- Social, labor, veterans, alumni or fraternal organizations serving a limited constituency.
- Travel by groups.
- Recreational, sporting events or athletic associations.
- Organizations seeking underwriting for advertising.
- Political causes, candidates or legislative lobbying efforts.

The Douglas Foundation makes operating, project and capital grants. Priority is given to operating and project grants. Capital grants receive a lower priority and will largely be made to organizations in and surrounding the Alexandria and Deerwood communities, which have a long history of operating support and significant employee involvement.

Grant applications may be submitted at any time. To apply for funding, please complete the application provided and send it with your proposal to the address below. Please include the following information in your proposal:

- Organization's mission statement.
- Objectives for the current fiscal year.
- List of corporate/foundation donors including amount of United Way support.
- Most recent audited financial statement and/or Form 990 filing.
- Copy of the Internal Revenue Service ruling granting tax exemption under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.
- List of Douglas Machine employees and retirees that volunteer with your organization.

**Mailing Address**  
Douglas Machine Foundation  
3404 Iowa Street  
Alexandria, MN 56308

## Douglas Machine Foundation Grant Application Guidelines

### DOUGLAS MACHINE Community Stewardship

The Douglas Machine Foundation was created in 2007 to focus the philanthropic resources of Douglas Machine on community needs. Most of our resources are primarily focused on communities surrounding Alexandria and Deerwood Minnesota. The Foundation's mission is to provide financial support to nonprofit organizations that focus on community improvement through social services, education and various faith-based initiatives. Douglas Machine's Community Stewardship encompasses all aspects of our philanthropy including Foundation contributions, volunteerism, and in-kind gifts.

The Douglas Machine Foundation's objectives are to:

- Improve the quality of life in our communities.
- Support Douglas Machine employees giving to United Way, social services, education and faith-based organizations through a gift-matching program.

The Foundation's grants will focus mainly on three areas:

- Social Services – supporting programs that seek to either strengthen families or serve the needs of disadvantaged people.
- Education – supporting programs that emphasize student academic achievement, and providing scholarships for the post-secondary education of our employee's children.
- Faith-Based Initiatives – supporting education, health, human and social services programs that apply Biblical principles to nurture the physical, emotional, intellectual, and spiritual wellness of people.

When evaluating requests, the Douglas Machine Foundation will favor organizations meeting the following criteria:

- Mission is closely related to the Foundation's focus areas.
- Programs or activities involving Douglas Machine employees and retirees.
- Services create sustainable community improvement.

The Douglas Machine Foundation typically receives many more requests than it can support. A decision to decline a request does not imply that the applicant's program is not needed or valued.

but simply that it does not fall within our giving guidelines or priorities, or that funds are not available.

As a standard practice, the Foundation does not support:

- Organizations without 501(c)(3) and 509(a) status.
- Individuals.
- Social, labor, veterans, alumni or fraternal organizations serving a limited constituency.
- Travel by groups.
- Recreational, sporting events or athletic associations.
- Organizations seeking underwriting for advertising.
- Political causes, candidates or legislative lobbying efforts.

The Douglas Foundation makes operating, project and capital grants. Priority is given to operating and project grants. Capital grants receive a lower priority and will largely be made to organizations in and surrounding the Alexandria and Deerwood communities, which have a long history of operating support and significant employee involvement.

Grant applications may be submitted at any time. To apply for funding, please complete the application provided and send it with your proposal to the address below. Please include the following information in your proposal:

- Organization's mission statement.
- Objectives for the current fiscal year.
- List of corporate/foundation donors including amount of United Way support.
- Most recent audited financial statement and/or Form 990 filing.
- Copy of the Internal Revenue Service ruling granting tax exemption under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.
- List of Douglas Machine employees and retirees that volunteer with your organization.

**Mailing Address**  
Douglas Machine Foundation  
3404 Iowa Street  
Alexandria, MN 56308

# Douglas Machine Foundation Grant Application

Date of application: \_\_\_\_\_ Application submitted to: \_\_\_\_\_

## Organization Information

<i>Name of organization</i>	<i>Legal name, if different</i>				
<i>Address</i>	<i>City, State, Zip</i>	<i>Employer Identification Number (EIN)</i>			
<i>Phone</i>	<i>Fax</i>	<i>Web site</i>			
<i>Name of top paid staff</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>		
<i>Name of contact person regarding this application</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>		
<b>Is your organization an IRS 501(c)(3) not-for-profit?</b>		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
<i>If no, is your organization a public agency/unit of government?</i>		<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
<i>If no, check with funder for details on using fiscal agents, and list name and address of fiscal agent:</i>					
<hr/>					<i>Fiscal agent's EIN number</i>

## **Proposal Information**

**Please give a 2-3 sentence summary of request:**

**Population served:**

**Geographic area served:**

**Funds are being requested for (check one) *Notc: Please be sure funder provides the type of support you are requesting.***

General operating support      Start-up costs      Capital  
Project/program support      Technical assistance      Other (list)

**Project dates (if applicable):** \_\_\_\_\_ **Fiscal year end:** \_\_\_\_\_

## **Budget**

**Dollar amount requested:** **\$**

Total annual organization budget: \$

Total project budget (for support other than general operating): \$

## Authorization

Name and title of top paid staff or board chair: \_\_\_\_\_

**Signature** \_\_\_\_\_

# **Douglas Machine Foundation Benevolent Fund Guidelines**

## **DOUGLAS MACHINE Employee Assistance**

The Douglas Machine Benevolent Fund was created in 2007 as the arm of the Douglas Machine Foundation that supports company employees who need financial assistance due to a crisis situation in their lives. The purpose of this program is to provide confidential financial assistance to company employees during times of verifiable emergency situations.

Douglas Machine employees who are classified as regular full time or regular part time are eligible for assistance due to a crisis situation. A crisis situation must be an event impacting the employee, his/her spouse, or his/her dependents which is beyond the employee's control.

Examples of crisis situations which are considered for assistance include:

- Fire
- Natural disaster
- Theft or loss of property
- Accident
- Disease
- Extended illness or disability.

In cases of extended illness or disability, the fund is not intended to substitute or augment standard employee benefits such as health or disability insurance. The fund is, however, designed to provide assistance when extraordinary financial hardships result from the illness or disability.

Employees seeking emergency assistance shall meet with Douglas Machine's Human Resource Manager to complete a confidential application. All identifying information is removed to ensure confidentiality. A committee consisting of the Human Resource Manager and Douglas Machine's company officers reviews all applications and makes decisions based on the documented crisis and need. If the application is approved for assistance, as a general rule checks will be made payable to the creditor(s) on behalf of the employee.

The following documentation is required at the time of application:

- Written documentation or explanation of the incident which has created the financial hardship (i.e. physician's statements; accident, police or fire reports; etc.).
- Copies of statements for regularly occurring expenses of household members which cannot be paid (i.e. utilities, rent mortgage, insurance, car payment, day care, etc.).
- Copies of all co-payments, medical expenses, and pharmacy charges for medical conditions, if a physician's statement is submitted.
- Any other documentation which will support the case for emergency assistance.

As a general rule, up to \$2,000 may be awarded to an employee during any 12-month period and \$6,000 during the period of their employment with Douglas Machine. An employee may submit one application per crisis situation.

The Benevolent Fund also provides financial support for special community events directly benefiting an employee with a financial hardship. As a general rule, support for these events is in lieu of, instead of in addition to, direct assistance to the employee. Any employee may request this support on behalf of a fellow employee.

To apply for emergency assistance, or for more information, please contact Ray Frazee, Human Resource Manager, at 320.762.6222 or extension 6222.

## Part XV Supplementary Information Exhibit A

### THE DOUGLAS MACHINE FOUNDATION

The Douglas Machine Foundation was created in 2007 to focus the philanthropic resources of Douglas Machine on community needs. Most of our resources are primarily focused on communities surrounding Alexandria and Deerwood

Minnesota. The Foundation's mission is to provide financial support to nonprofit organizations that focus on community improvement through social services, education and various faith-based initiatives. Douglas Machine's Community Stewardship encompasses all aspects of our philanthropy including Foundation contributions, volunteerism, and in-kind gifts.

The Douglas Machine Foundation's objectives are to:

- Improve the quality of life in our communities.
- Support Douglas Machine employees giving to United Way, social services, education and faith-based organizations through a gift-matching program.

The Foundation's grants will focus mainly on three areas:

- Social Services – supporting programs that seek to either strengthen families or serve the needs of disadvantaged people.
- Education – supporting programs that emphasize student academic achievement and provide scholarships.
- Faith-Based Initiatives -- supporting education, health, human and social services programs that apply Biblical principles to nurture the physical, emotional, intellectual, and spiritual wellness of people.

When evaluating requests, the Douglas Machine Foundation will favor organizations meeting the following criteria:

- Mission is closely related to the Foundation's focus areas.
- Programs or activities involving Douglas Machine employees and retirees.
- Services create sustainable community improvement.

The Douglas Machine Foundation typically receives many more requests than it can support. A decision to decline a request does not imply that the applicant's program is not needed or valued.

but simply that it does not fall within our giving guidelines or priorities, or that funds are not available.

As a standard practice, the Foundation does not support:

- Organizations without 501(c)(3) and 509(a) status.
- Individuals.
- Social, labor, veterans, alumni or fraternal organizations serving a limited constituency.
- Travel by groups.
- Recreational, sporting events or athletic associations.
- Organizations seeking underwriting for advertising.
- Political causes, candidates or legislative lobbying efforts.

The Douglas Foundation makes operating, project and capital grants. Priority is given to operating and project grants. Capital grants receive a lower priority and will largely be made to organizations in and surrounding the Alexandria and Deerwood communities, which have a long history of operating support and significant employee involvement.

Grant applications may be submitted at any time. To apply for funding, please complete the application provided and send it with your proposal to the address below. Please include the following information in your proposal:

- Organization's mission statement.
- Objectives for the current fiscal year.
- List of corporate/foundation donors including amount of United Way support.
- Most recent audited financial statement and/or Form 990 filing.
- Copy of the Internal Revenue Service ruling granting tax exemption under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.
- List of Douglas Machine employees and retirees that volunteer with your organization.

#### **Mailing Address**

Douglas Machine Foundation  
3404 Iowa Street  
Alexandria, MN 56308

# Douglas Machine Foundation Grant Application Guidelines

## DOUGLAS MACHINE Community Stewardship

The Douglas Machine Foundation was created in 2007 to focus the philanthropic resources of Douglas Machine on community needs. Most of our resources are primarily focused on communities surrounding Alexandria and Deerwood Minnesota. The Foundation's mission is to provide financial support to nonprofit organizations that focus on community improvement through social services, education and various faith-based initiatives. Douglas Machine's Community Stewardship encompasses all aspects of our philanthropy including Foundation contributions, volunteerism, and in-kind gifts.

The Douglas Machine Foundation's objectives are to:

- Improve the quality of life in our communities.
- Support Douglas Machine employees giving to United Way, social services, education and faith-based organizations through a gift-matching program.

The Foundation's grants will focus mainly on three areas:

- Social Services – supporting programs that seek to either strengthen families or serve the needs of disadvantaged people.
- Education – supporting programs that emphasize student academic achievement, and providing scholarships for the post-secondary education of our employee's children.
- Faith-Based Initiatives – supporting education, health, human and social services programs that apply Biblical principles to nurture the physical, emotional, intellectual, and spiritual wellness of people.

When evaluating requests, the Douglas Machine Foundation will favor organizations meeting the following criteria:

- Mission is closely related to the Foundation's focus areas.
- Programs or activities involving Douglas Machine employees and retirees.
- Services create sustainable community improvement.

The Douglas Machine Foundation typically receives many more requests than it can support. A decision to decline a request does not imply that the applicant's program is not needed or valued.

but simply that it does not fall within our giving guidelines or priorities, or that funds are not available.

As a standard practice, the Foundation does not support:

- Organizations without 501(c)(3) and 509(a) status.
- Individuals.
- Social, labor, veterans, alumni or fraternal organizations serving a limited constituency.
- Travel by groups.
- Recreational, sporting events or athletic associations.
- Organizations seeking underwriting for advertising.
- Political causes, candidates or legislative lobbying efforts.

The Douglas Foundation makes operating, project and capital grants. Priority is given to operating and project grants. Capital grants receive a lower priority and will largely be made to organizations in and surrounding the Alexandria and Deerwood communities, which have a long history of operating support and significant employee involvement.

Grant applications may be submitted at any time. To apply for funding, please complete the application provided and send it with your proposal to the address below. Please include the following information in your proposal:

- Organization's mission statement.
- Objectives for the current fiscal year.
- List of corporate/foundation donors including amount of United Way support.
- Most recent audited financial statement and/or Form 990 filing.
- Copy of the Internal Revenue Service ruling granting tax exemption under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.
- List of Douglas Machine employees and retirees that volunteer with your organization.

**Mailing Address**

Douglas Machine Foundation  
3404 Iowa Street  
Alexandria, MN 56308

# Douglas Machine Foundation Grant Application

Date of application: \_\_\_\_\_ Application submitted to: \_\_\_\_\_

## Organization Information

Name of organization

Legal name, if different

Address

City, State, Zip

Employer Identification Number (EIN)

Phone

Fax

Web site

Name of top paid staff

Title

Phone

E-mail

Name of contact person regarding this application

Title

Phone

E-mail

Is your organization an IRS 501(c)(3) not-for-profit?

Yes  No

If no, is your organization a public agency/unit of government?

Yes  No

If no, check with funder for details on using fiscal agents, and list name and address of fiscal agent:

\_\_\_\_\_  
\_\_\_\_\_

Fiscal agent's EIN number

## Proposal Information

Please give a 2-3 sentence summary of request:

Population served:

Geographic area served:

Funds are being requested for (check one) *Note: Please be sure funder provides the type of support you are requesting.*

General operating support  Start-up costs  Capital  
 Project/program support  Technical assistance  Other (list) \_\_\_\_\_

Project dates (if applicable): \_\_\_\_\_ Fiscal year end: \_\_\_\_\_

## Budget

Dollar amount requested: \_\_\_\_\_ \$ \_\_\_\_\_

Total annual organization budget: \_\_\_\_\_ \$ \_\_\_\_\_

Total project budget (for support other than general operating): \_\_\_\_\_ \$ \_\_\_\_\_

## Authorization

Name and title of top paid staff or board chair: \_\_\_\_\_

Signature: \_\_\_\_\_

## **Douglas Machine Foundation Benevolent Fund Guidelines**

### **DOUGLAS MACHINE Employee Assistance**

The Douglas Machine Benevolent Fund was created in 2007 as the arm of the Douglas Machine Foundation that supports company employees who need financial assistance due to a crisis situation in their lives. The purpose of this program is to provide confidential financial assistance to company employees during times of verifiable emergency situations.

Douglas Machine employees who are classified as regular full time or regular part time are eligible for assistance due to a crisis situation. A crisis situation must be an event impacting the employee, his/her spouse, or his/her dependents which is beyond the employee's control.

Examples of crisis situations which are considered for assistance include:

- Fire
- Natural disaster
- Theft or loss of property
- Accident
- Disease
- Extended illness or disability.

In cases of extended illness or disability, the fund is not intended to substitute or augment standard employee benefits such as health or disability insurance. The fund is, however, designed to provide assistance when extraordinary financial hardships result from the illness or disability.

Employees seeking emergency assistance shall meet with Douglas Machine's Human Resource Manager to complete a confidential application. All identifying information is removed to ensure confidentiality. A committee consisting of the Human Resource Manager and Douglas Machine's company officers reviews all applications and makes decisions based on the documented crisis and need. If the application is approved for assistance, as a general rule checks will be made payable to the creditor(s) on behalf of the employee.

The following documentation is required at the time of application:

- Written documentation or explanation of the incident which has created the financial hardship (i.e. physician's statements; accident, police or fire reports; etc.).
- Copies of statements for regularly occurring expenses of household members which cannot be paid (i.e. utilities, rent mortgage, insurance, car payment, day care, etc.).
- Copies of all co-payments, medical expenses, and pharmacy charges for medical conditions, if a physician's statement is submitted.
- Any other documentation which will support the case for emergency assistance.

As a general rule, up to \$2,000 may be awarded to an employee during any 12-month period and \$6,000 during the period of their employment with Douglas Machine. An employee may submit one application per crisis situation.

The Benevolent Fund also provides financial support for special community events directly benefiting an employee with a financial hardship. As a general rule, support for these events is in lieu of, instead of in addition to, direct assistance to the employee. Any employee may request this support on behalf of a fellow employee.

To apply for emergency assistance, or for more information, please contact Ray Frazee, Human Resource Manager, at 320.762.6222 or extension 6222.