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Form **990-PF****Return of Private Foundation**  
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

**2013**Department of the Treasury  
Internal Revenue Service▶ Do not enter Social Security numbers on this form as it may be made public.  
▶ Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

Open to Public Inspection

For calendar year 2013 or tax year beginning

09-01, 2013, and ending

08-31, 2014

Name of foundation <b>Eloisa Diaz Educational Foundation</b>		A Employer identification number <b>86-1006606</b>						
Number and street (or P O box number if mail is not delivered to street address) <b>1439 W Mendoza Avenue</b>		B Telephone number (see instructions) <b>(480) 600-4661</b>						
City or town, state or province, country, and ZIP or foreign postal code <b>Mesa, AZ 85202</b>		C If exemption application is pending, check here <input type="checkbox"/>						
G Check all that apply. <table border="1"><tr><td><input type="checkbox"/> Initial return</td><td><input type="checkbox"/> Initial return of a former public charity</td></tr><tr><td><input type="checkbox"/> Final return</td><td><input type="checkbox"/> Amended return</td></tr><tr><td><input type="checkbox"/> Address change</td><td><input type="checkbox"/> Name change</td></tr></table>		<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"/>
<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							
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) ▶ \$ <b>1,940,695</b> (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>						
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____								

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)
1	Contributions, gifts, grants, etc., received (attach schedule)	1,200			
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	43,746	43,746	43,746	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	30,550			
b	Gross sales price for all assets on line 6a 99,861				
7	Capital gain net income (from Part IV, line 2)		30,550		
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	75,496	74,296	43,746	
13	Compensation of officers, directors, trustees, etc	7,000	700		2,800
14	Other employee salaries and wages	3,000			1,200
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STM108	4,206	2,103	2,103	
c	Other professional fees (attach schedule) STM109	14,400	14,400	14,400	
17	Interest				
18	Taxes (attach schedule) (see instructions) STM110	2,833	54		306
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) STM103	1,177			
24	Total operating and administrative expenses. Add lines 13 through 23	32,616	17,257	16,503	4,306
25	Contributions, gifts, grants paid	70,500			70,500
26	Total expenses and disbursements. Add lines 24 and 25	103,116	17,257	16,503	74,806
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	(27,620)			
b	Net investment income (if negative, enter -0-)		57,039		
c	Adjusted net income (if negative, enter -0-)			27,243	

For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2013)

**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing	4,316	9,799	9,799
	2 Savings and temporary cash investments	36,310	32,516	32,516
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) . . . . . STM137	967,104	897,794	1,266,255
	c Investments - corporate bonds (attach schedule) . . . . . STM138	598,153	638,154	632,125
	11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments - mortgage loans				
13 Investments - other (attach schedule)				
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 <b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I)	1,605,883	1,578,263	1,940,695	
<b>Liabilities</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ STM121)	4,000	4,000	
	23 <b>Total liabilities</b> (add lines 17 through 22)	4,000	4,000	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	1,601,883	1,574,263	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 <b>Total net assets or fund balances</b> (see instructions)	1,601,883	1,574,263		
31 <b>Total liabilities and net assets/fund balances</b> (see instructions)	1,605,883	1,578,263		

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

1 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)	1	1,601,883
2 Enter amount from Part I, line 27a	2	(27,620)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,574,263
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,574,263

**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 (yr, mo, day)	(d) Date sold (yr, mo, day)
<b>1a</b> DFA Emerg Mkt Core Eqt Portf	P	2009-01-02	2014-07-10
<b>b</b> DFA Intl Core Equity Portf	P	2009-10-02	2014-04-24
<b>c</b> DFA Intl Core Equity Portf	P	2009-10-02	2014-07-10
<b>d</b> DFA US Core Eq 2 Portf	P	2009-10-02	2014-07-10
<b>e</b> Sector PSDR Materials	P	2009-10-02	2014-07-10

(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)
<b>a</b> 14,970		11,254	3,716
<b>b</b> 9,970		7,699	2,271
<b>c</b> 24,970		20,720	4,250
<b>d</b> 39,970		21,839	18,131
<b>e</b> 9,981		7,799	2,182

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
<b>a</b>			3,716
<b>b</b>			2,271
<b>c</b>			4,250
<b>d</b>			18,131
<b>e</b>			2,182

**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** 30,550

**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))
2012	80,125	1,833,880	0.043692
2011	85,915	1,785,286	0.048124
2010	100,415	1,910,133	0.05257
2009	131,649	1,804,220	0.072967
2008	44,811	1,531,902	0.029252

**2** Total of line 1, column (d) **2** 0.246604

**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 **3** 0.049321

**4** Enter the net value of noncharitable-use assets for 2013 from Part X, line 5 **4** 1,911,430

**5** Multiply line 4 by line 3 **5** 94,274

**6** Enter 1% of net investment income (1% of Part I, line 27b) **6** 570

**7** Add lines 5 and 6 **7** 94,844

**8** Enter qualifying distributions from Part XII, line 4 **8** 74,806

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: _____ (attach copy of letter if necessary-see instructions)		1	1,141
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	1,141
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,141
6 Credits/Payments.			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	1,520	
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	1,520	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	379	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax	11	379	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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
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? If "Yes," attach a detailed description of the activities.		X
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? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <b>AZ</b>		
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 General Instruction G? If "No," attach explanation	X	
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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

**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		X
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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <b>N/A</b>	13	X	
14	The books are in care of <b>Jesus Lionel Diaz</b> Telephone no <b>480-600-4661</b> Located at <b>1439 W Mendoza Avenue, Mesa, AZ</b> ZIP+4 <b>85202</b>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here and enter the amount of tax-exempt interest received or accrued during the year <b>15</b>			
16	At any time during calendar year 2013, 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	No X

**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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. 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		
b If any answer is "Yes" to 1a(1)-(6), did any 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 <input type="checkbox"/>	1b	
c 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 2013?	1c	X
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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years		
b Are there any years listed in 2a for which the foundation is not 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 all years listed, answer "No" and attach statement - see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2013 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
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 2013?	4b	X

**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 ☒ Nob 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)? ☐ Yes ☒ No  
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 ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No  
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 ☒ Nob 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
Jesus Lionel Diaz 1439 W Mendoza Avenue, Mesa, AZ 85202	Director 10	7,000	0	0
Jacqueline Butler-Diaz 1439 W Mendoza Ave, Mesa, AZ 85202	Manager 10	3,000	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				

Total 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 . . . . .		▶

**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
1 <b>Scholarship Grants - See Part XV</b>	0
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 . . . . .	▶



**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	1,904,513
b	Average of monthly cash balances	1b	36,025
c	Fair market value of all other assets (see instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	1,940,538
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	1,940,538
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	29,108
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,911,430
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	95,572

**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	95,572
2a	Tax on investment income for 2013 from Part VI, line 5	2a	1,141
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,141
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	94,431
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	94,431
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	94,431

**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	74,806
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	74,806
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	
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	74,806

**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 2012	(c) 2012	(d) 2013
<b>1</b> Distributable amount for 2013 from Part XI, line 7				94,431
<b>2</b> Undistributed income, if any, as of the end of 2013:				
<b>a</b> Enter amount for 2012 only				
<b>b</b> Total for prior years:				
<b>3</b> Excess distributions carryover, if any, to 2013:				
<b>a</b> From 2008				
<b>b</b> From 2009	29,846			
<b>c</b> From 2010	5,737			
<b>d</b> From 2011				
<b>e</b> From 2012				
<b>f</b> Total of lines 3a through e	35,583			
<b>4</b> Qualifying distributions for 2013 from Part XII, line 4. ▶ \$	74,806			
<b>a</b> Applied to 2012, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)				
<b>d</b> Applied to 2013 distributable amount				74,806
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	19,625			19,625
<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	15,958			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b				
<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				
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions				
<b>e</b> Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount - see instructions				
<b>f</b> Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				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)				
<b>8</b> Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)				
<b>9</b> Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	15,958			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2009	10,221			
<b>b</b> Excess from 2010	5,737			
<b>c</b> Excess from 2011				
<b>d</b> Excess from 2012				
<b>e</b> Excess from 2013				

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

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling . . . . .

**b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or

☐ 4942(j)(5)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

**b** 85% of line 2a . . . . .

**c** Qualifying distributions from Part XII, line 4 for each year listed . . . . .

**d** Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .

**e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .

**3** Complete 3a, b, or c for the alternative test relied upon:

**a** "Assets" alternative test - enter

(1) Value of all assets . . . . .

(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .

**b** "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .

**c** "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 . . . . .

Tax year	Prior 3 years				(e) Total
(a) 2013	(b) 2012	(c) 2011	(d) 2010		
27,243	47,017	35,366	42,570		152,196
23,157	39,964	30,061	36,185		129,367
74,806	80,125	85,915	100,415		341,261
74,806	80,125	85,915	100,415		341,261
63,715	61,129	59,509	63,671		248,024

**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:

990APP

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

**c** Any submission deadlines.

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

### 3 Grants and Contributions Paid During the Year or Approved for Future Payment

Form 990-PF (2013)

Enter gross amounts unless otherwise indicated

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

## Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)

[illegible]

**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 . . . . .

(2) Other assets . . . . .

**b** Other transactions:

(1) Sales of assets to a noncharitable exempt organization . . . . .

(2) Purchases of assets from a noncharitable exempt organization . . . . .

(3) Rental of facilities, equipment, or other assets . . . . .

(4) Reimbursement arrangements . . . . .

(5) Loans or loan guarantees . . . . .

(6) Performance of services or membership or fundraising solicitations . . . . .

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .

**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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

**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.

Jesus Lionel Diaz Feb 23, 2015 Director  
Signature of officer or trustee Date Title


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

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

**Tiffany White**

Preparer's signature

Preparer's signature 

Date \_\_\_\_\_

219/2015

Check	<b>X</b>	If
-------	----------	----

self-employed

PTIN	
------	--

P00543609

Firm's name ▶ **Tiffany White CPA, PLC**

Firm's EIN ▶ 47-2510232

Firm's address ► 1630 S Stapley Drive Ste 204

Phone no.

Mesa AZ 85204

480-834-8890

# **Federal Supporting Statements**

**2013 PG 01**

Name(s) as shown on return

FEIN

Eloisa Diaz Educational Foundation

86-1006606

## **Form 990PF, Part II, Line 22 Other Liabilities Schedule**

Statement #121

<u>Description</u>	<u>BOY Amount</u>	<u>EOY Amount</u>
Payroll liabilities	4,000	4,000
 Total	<u>4,000</u>	<u>4,000</u>

## **Form 990PF, Part II, Line 10(b) Investments: Corporate Stock Schedule**

PG 01  
Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
DFA Emerg Mkt CoreEquity Portf	100,654	89,400	138,117
DFA International Core Equity	156,571	128,153	178,120
DFA Intl Real Estate Security	53,000	53,000	57,749
DFA Intl Small Company Portf	45,077	45,077	48,914
DFA Intl Value Portf	48,306	48,306	47,736
DFA US Core Equity 2 Portf	115,147	93,308	214,570
DFA US Large Cap Value Portf	42,379	42,379	66,063
DFA US Micro Cap Port	41,766	41,766	59,499
Merger Fund	49,297	49,297	53,434
DFA Emerging Mkts Value	50,000	50,000	57,108
DFA Commodity Strategy	51,000	51,000	45,591
Ishare Tr Barclays Bd 1-3 Yr	111,944	111,944	113,279
Sector Spdr Engy Select	22,568	22,568	42,853
Sector Spdr Materials	25,453	17,654	33,148
SPDR Gold Trust	18,289	18,289	40,998
Vanguard REI	35,653	35,653	69,076
 Totals	<u>967,104</u>	<u>897,794</u>	<u>1,266,255</u>

**Federal Supporting Statements****2013 PG 01**

Name(s) as shown on return

FEIN

Eloisa Diaz Educational Foundation

86-1006606

**Form 990PF, Part II, Line 10(c)  
Investments: Corporate Bond Schedule**

Statement #138

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
DFA One Year Fixed Income Port	150,262	190,263	189,912
DFA Two Yr Global Fixed Inc Pf	122,148	122,148	121,854
Pimco Emrg Local Bond Fund	53,000	53,000	47,971
Pimco Total Return Fund Instit	110,960	110,960	114,596
Pimco Real Return Fund	60,000	60,000	55,796
DFA Five Yr Global Fixed Inc	89,000	89,000	88,889
Pimco High Yield Fund	12,783	12,783	13,107
Totals	598,153	638,154	632,125



# Federal Supporting Statements

2013 PG 01

Your Social Security Number

86-1006606

Name(s) as shown on return

Eloisa Diaz Educational Foundation

Statement #103

Form 990PF, Part I, Line 23 - Other Expenses Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Website	315	0	0	0
Admi Fees	600	0	0	0
Bank charges	110	0	0	0
Postage	37	0	0	0
Legal statutory agent	115	0	0	0
Totals	<u>1,177</u>	<u>0</u>	<u>0</u>	<u>0</u>

PG 01

Statement #108

Form 990PF, Part I, Line 16(b) - Accounting Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Accounting	<u>4,206</u>	<u>2,103</u>	<u>2,103</u>	<u>0</u>
Totals	<u>4,206</u>	<u>2,103</u>	<u>2,103</u>	<u>0</u>

# Federal Supporting Statements

2013 PG 01

Your Social Security Number

86-1006606

Name(s) as shown on return

Eloisa Diaz Educational Foundation

## Form 990PF, Part I, Line 16(c) - Other Professional Fees Schedule

Statement #109

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Investment Advisor Fee	14,400	14,400	14,400	0
Totals	14,400	14,400	14,400	0

PG 01

Statement #110

## Form 990PF, Part I, Line 18 - Taxes Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Payroll Taxes	765	54	0	306
Excise Taxes	2,068	0	0	0
Totals	2,833	54	0	306

**Federal Supporting Statements****2013 PG 01**

Name(s) as shown on return

Eloisa Diaz Educational Foundation

Your Social Security Number

86-1006606

**Form 990PF, Part XV, Line 2**  
**Application Submission Information****Grant Program****Applicant Name**

Jesus Lionel Diaz

**Address**1439 W Mendoza Ave  
Mesa, AZ 85202**Telephone**

480-345-8424

**Email Address****Form & Content**

Application

Essay

and/or personal interview

**Submission Deadline**

None

**Restrictions on Award**

No absolute limitations, but some preferences are indicated

Eloisa Diaz Educational Foundation

FY 2013 (9/1/13 - 8/31/14)

Attached to and made part of Form 990-PF return for EIN: 86-1006606

Part X, Line 1a and Line 1b

CASH BALANCES			
Date	1st Day of Month Balance	Last Day of Month Balance	Average Monthly Balance
<b>Bank of America acct. 22405</b>			
9/30/2013	4,315 87	2,904 52	3,610 20
10/31/2013	2,904 52	2,274 87	2,589 70
11/30/2013	2,274 87	1,636 37	1,955 62
12/31/2013	1,636 37	2,635 37	2,135 87
1/31/2014	2,635 37	3,528 36	3,081 87
2/28/2014	3,528 36	3,513 36	3,520 86
3/31/2014	3,513 36	4,634 01	4,073 69
4/30/2014	4,634 01	4,634 01	4,634 01
5/31/2014	4,634 01	4,634 01	4,634 01
6/30/2014	4,634 01	4,403 51	4,518 76
7/31/2014	4,403 51	64,403 51	34,403 51
8/31/2014	64,403 51	10,075 02	37,239 27
	103,517.77	109,276 92	106,397 35
			divide by 12 months
Average Balance			8,866 45
<b>Schwab One Acct./Cash and US Treasury Money Fund acct 294</b>			
9/30/2013	36,309 85	38,008 48	37,159 17
10/31/2013	38,008 48	38,600 44	38,304 46
11/30/2013	38,600 44	35,583 65	37,092 05
12/31/2013	35,583 65	57,252 73	46,418 19
1/31/2014	57,252 73	14,736 16	35,994 45
2/28/2014	14,736 16	11,621 99	13,179 08
3/31/2014	11,621.99	11,082 08	11,352 04
4/30/2014	11,082 08	11,632 54	11,357 31
5/31/2014	11,632 54	8,711 71	10,172 13
6/30/2014	8,711 71	16,812 47	12,762 09
7/31/2014	16,812 47	47,445 27	32,128 87
8/31/2014	47,445 27	32,516 33	39,980 80
	327,797 37	324,003 85	325,900 61
			divide by 12 months
Average Balance			27,158 38
<b>Average of monthly cash balances (all accounts)</b>			<b>36,024.83</b>

Part X, Line 1b

SECURITIES		Month End FMV from acct statements
Date		
<b>Schwab One Acct./Securities acct 294</b>		
9/30/2013		1,834,193 66
10/31/2013		1,876,010 99
11/30/2013		1,877,643.01
12/31/2013		1,868,426 50
1/31/2014		1,873,102 23
2/28/2014		1,930,813 27
3/31/2014		1,937,176 59
4/30/2014		1,939,614 11
5/31/2014		1,962,524 69
6/30/2014		1,985,303 43
7/31/2014		1,870,967.82
8/31/2014		1,898,380 05
		22,854,156 35
		divide by 12 months
<b>Average monthly fair market value of securities</b>		<b>1,904,513.03</b>

Part X, Line 1a

Attachment to Form 990-PF

2013

Eloisa Diaz Educational Foundation

EIN: 86-1006606

Section 1.263(a)-1(f) de minimis safe harbor election

Name: Eloisa Diaz Educational Foundation

Address: 1439 W Mendoza Avenue, Mesa, AZ 85202

EIN: 86-1006606

Tax year: 09/01/2013-08/31/2014

Statement: Taxpayer is making the de minimis safe harbor election under code section 1.263(a)-1(f).

**Application for Change in Accounting Method**

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) <b>Eloisa Diaz Educational Foundation</b>		Identification number (see instructions) <b>86-1006606</b>	
Number, street, and room or suite no. If a P.O. box, see the instructions <b>1439 W Mendoza Avenue</b>		Principal business activity code number (see instructions) <b>523900</b>	
City or town, state, and ZIP code <b>Mesa, AZ 85202</b>		Tax year of change begins (MM/DD/YYYY) <b>09/01/2013</b> Tax year of change ends (MM/DD/YYYY) <b>08/31/2014</b>	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions) <b>J. Lionel Diaz</b>	
		Contact person's telephone number <b>602-909-5040</b>	

If the applicant is a member of a consolidated group, check this box ☐If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐**Check the box to indicate the type of applicant.**

- ☐ Individual  
☐ Corporation  
☐ Controlled foreign corporation (Sec. 957)  
☐ 10/50 corporation (Sec. 904(d)(2)(E))  
☐ Qualified personal service corporation (Sec. 448(d)(2))  
☒ Exempt organization. Enter Code section ► **501(a) of 501(c)(3)**
- ☐ Cooperative (Sec. 1381)  
☐ Partnership  
☐ S corporation  
☐ Insurance co. (Sec. 816(a))  
☐ Insurance co. (Sec. 831)  
☐ Other (specify) ►

**Check the appropriate box to indicate the type of accounting method change being requested.** (see instructions)

- ☐ Depreciation or Amortization  
☐ Financial Products and/or Financial Activities of Financial Institutions  
☒ Other (specify) ► **Accounting method change**

**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

**Part I Information For Automatic Change Request**

	Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. ► (a) Change No. <b>184</b> (b) Other <input type="checkbox"/> Description ►		
2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.		✓

**Note.** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

**Part II Information For All Requests**

	Yes	No
3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		✓
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.		✓
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		✓

**Signature** (see instructions)

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

**Filer****Preparer (other than filer/applicant)**

*J. Lionel Diaz Feb 23, 2015*  
Signature and date

*Tiffany White 2/9/2015*  
Signature of individual preparing the application and date

**J. Lionel Diaz, President****Tiffany White**

Name and title (print or type)

Name of individual preparing the application (print or type)

**Tiffany White CPA PLC**

Name of firm preparing the application

<b>Part II Information For All Requests (continued)</b>		<b>Yes</b>	<b>No</b>
<b>4c</b>	Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		✓
<b>d</b>	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)?		✓
	If "Yes," attach the consent statement from the director.		
<b>e</b>	Is the request to change the method of accounting being filed under the 90-day or 120-day window period?		✓
	If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ► _____		
<b>f</b>	If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		
<b>g</b>	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
<b>5a</b>	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court?		✓
	If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		
<b>b</b>	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
<b>c</b>	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)?		✓
	If "Yes," attach an explanation.		
<b>6</b>	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
<b>7</b>	If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity?		
	If "Yes," the applicant is <b>not</b> eligible to make the change.		
<b>8a</b>	Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?		
<b>b</b>	If "Yes," attach an explanation.		
<b>9a</b>	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?		✓
<b>b</b>	If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
<b>c</b>	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
<b>10a</b>	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?		✓
<b>b</b>	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).		
<b>11</b>	Is the applicant requesting to change its <b>overall</b> method of accounting?		
	If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.		
<b>Present method:</b>	<input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
<b>Proposed method:</b>	<input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

<b>Part II Information For All Requests (continued)</b>				<b>Yes</b>	<b>No</b>	
<b>12</b>	If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items attach a detailed and complete description for each of the following:					
<b>a</b>	The item(s) being changed.					
<b>b</b>	The applicant's present method for the item(s) being changed.					
<b>c</b>	The applicant's proposed method for the item(s) being changed.					
<b>d</b>	The applicant's present overall method of accounting (cash, accrual, or hybrid).					
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.					
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.					
<b>15a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .					
<b>b</b>	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
<b>16</b>	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?				✓	
<b>17</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.					
	1st preceding year ended mo	yr	2nd preceding year ended mo	yr	3rd preceding year ended mo	yr
	\$		\$		\$	
<b>Part III Information For Advance Consent Request</b>				<b>Yes</b>	<b>No</b>	
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.					
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.					
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).					
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.					
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.					
<b>23a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions). ► \$					
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).					
<b>Part IV Section 481(a) Adjustment</b>				<b>Yes</b>	<b>No</b>	
<b>24</b>	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . If "Yes," do not complete lines 25, 26, and 27 below.				✓	
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.					



**Part IV Section 481(a) Adjustment (continued)**

Yes No

- 26** If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? . . . . .
- 27** Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . .
- If "Yes," attach an explanation.

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method** (see instructions)

- 1** Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.
- |  | Amount |
|--|--------|
| <b>a</b> Income accrued but not received (such as accounts receivable) . . . . .   | \$     |
| <b>b</b> Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method . . . . .  |        |
| <b>c</b> Expenses accrued but not paid (such as accounts payable) . . . . .  |        |
| <b>d</b> Prepaid expenses previously deducted . . . . .  |        |
| <b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .   |        |
| <b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . . .  |        |
| <b>g</b> Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ►  |        |
| <b>h</b> <b>Net section 481(a) adjustment</b> (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25. . . . . | \$     |
- 2** Is the applicant also requesting the recurring item exception under section 461(h)(3)? . . . . . ☐ Yes ☐ No
- 3** Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

**Part II Change to the Cash Method For Advance Consent Request** (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1** A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2** An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments** (see instructions)

- 1** If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
- a** A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
- b** If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34.
- c** If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.
- 2** If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
- a** A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
- b** A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
- c** A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
- d** A statement explaining whether the inventoryable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets** (see instructions)

**Part I** **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
  - 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
  - b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No  
If line 2b is "No," attach an explanation.
  - c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
  - d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No  
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.  
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
  - 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
  - b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
  - c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
  - 4 To determine a contract's completion factor using the percentage-of-completion method:
    - a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
    - b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
  - 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II**    **Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)?  
If "No," attach a detailed explanation ☐ Yes ☐ No

- 4a** Check the appropriate boxes below.

**Identification methods:**

Specific identification . . . . .

FIFO . . . . .

LIFO . . . . .

Other (attach explanation) . . . . .

**Valuation methods:**

Cost . . . . .

Cost or market, whichever is lower . . . . .

Retail cost . . . . .

Retail, lower of cost or market . . . . .

Other (attach explanation) . . . . .

- b** Enter the value at the end of the tax year preceding the year of change

- 5** If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
- a** Copies of Form(s) 970 filed to adopt or expand the use of the method.
  - b** **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
  - c** **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

[illegible]

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs.) . . . . .		

**Part III Method of Cost Allocation** (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses . . . . .		
2 Research and experimental expenses not included in Section B, line 26 . . . . .		
3 Bidding expenses not included in Section B, line 22 . . . . .		
4 General and administrative costs not included in Section B . . . . .		
5 Income taxes . . . . .		
6 Cost of strikes . . . . .		
7 Warranty and product liability costs . . . . .		
8 Section 179 costs . . . . .		
9 On-site storage . . . . .		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
11 Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . ☐ Yes ☐ No  
If "Yes," enter the applicable section ► \_\_\_\_\_
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? . . . . ☐ Yes ☐ No  
If "Yes," state the election made ► \_\_\_\_\_
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . ☐ Yes ☐ No
- c Is the property public utility property? . . . . ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

## Attachment to Form 3115

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

Additional information for:

Part I (a) Change No. 184

Form 3115, Part II, line 12:

(i) Not changing its overall method of accounting

Detailed and complete description for each of the following:

- a. *The Item Being Changed:* DCN 184 A change to deducting amounts paid or incurred for repair and maintenance or a change to capitalizing amounts paid or incurred for improvements to tangible property and, if depreciable, to depreciating such property under code section 167 or code section 168. Includes a change, if any, in the method of identifying the unit of property, or in the case of a building, identifying the building structure or building systems for the purpose of making this change. § 1.162-4, 1.263(a)-3
- b. *The applicant's present method for the item(s) being changed.*  
The taxpayer has not been capitalizing amounts paid or incurred for improvements to tangible property or depreciating such property under § 167 or § 168.
- c. *The applicant's proposed method for the item(s) being changed.* A change to deducting amounts paid or incurred for repair and maintenance or a change to capitalizing amounts paid or incurred for improvements to tangible property and, if depreciable, to depreciating such property under § 167 or § 168. Includes a change, if any, in the method of identifying the unit of property, or in the case of a building, identifying the building structure or building systems for the purpose of making this change.

Regulation Authorizing Proposed Treatment

The proposed treatment is the method specified to be used pursuant to

Reg. §§ 1.162-4, 1.263(a)-3

- d. *The applicant's present overall method of accounting (cash, accrual, or hybrid.)* CASH

Form 3115, Part II, line 13:

*Attach a detailed and complete description of the applicant's trade or business and the principal business activity code for each.*

The applicant is an Exempt Organization, exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The applicant is required to file Form 990-PF, Return of Private Foundation. The foundation gives out scholarship grants that comply with the requirements of section 4945(g)(1). The applicant's only source of income is from investment income and a small amount of contributions from donors each year.

**Attachment to Form 3115**

**Filer:** Eloisa Diaz Educational Foundation

**Filer Identification number:** 86-1006606

**Tax year of change begins:** 09/01/2013

**Tax year of change ends:** 08/31/2014

**Attachment for Part IV, Question 25**

<b>§481(a) Adjustment as of January 1, 2014</b>	<b>\$</b>	<b>0</b>
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## Application for Change in Accounting Method

OMB No 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)

**Eloisa Diaz Educational Foundation**

Identification number (see instructions)

**86-1006606**

Principal business activity code number (see instructions)

**523900**

Number, street, and room or suite no. If a P.O. box, see the instructions

**1439 W Mendoza Avenue**

City or town, state, and ZIP code

**Mesa, AZ 85202**

Tax year of change begins (MM/DD/YYYY)

**09/01/2013**

Tax year of change ends (MM/DD/YYYY)

**08/31/2014**

Name of contact person (see instructions)

**J. Lionel Diaz**

Name of applicant(s) (if different than filer) and identification number(s) (see instructions)

Contact person's telephone number

**602-909-5040**

If the applicant is a member of a consolidated group, check this box ☐

If **Form 2848**, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐

**Check the box to indicate the type of applicant.**

- ☐ Individual ☐ Cooperative (Sec. 1381)  
☐ Corporation ☐ Partnership  
☐ Controlled foreign corporation (Sec. 957) ☐ S corporation  
☐ 10/50 corporation (Sec. 904(d)(2)(E)) ☐ Insurance co. (Sec. 816(a))  
☐ Qualified personal service corporation (Sec. 448(d)(2)) ☐ Insurance co. (Sec. 831)  
☐ Other (specify) ▶  
☒ Exempt organization. Enter Code section ▶ **501(a) of 501(c)(3)**

**Check the appropriate box to indicate the type of accounting method change being requested.** (see instructions)

- ☐ Depreciation or Amortization  
☐ Financial Products and/or Financial Activities of Financial Institutions  
☒ Other (specify) ▶ **Accounting method change**

**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

### Part I Information For Automatic Change Request

- 1** Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.

▶ (a) Change No. **186** (b) Other ☐ Description ▶

- 2** Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.

**Note.** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

### Part II Information For All Requests

- 3** Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)?  
 If "Yes," the applicant is not eligible to make the change under automatic change request procedures.
- 4a** Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)?  
 If "No," go to line 5.
- b** Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?

**Signature** (see instructions)

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

**Filer**

**Preparer (other than filer/applicant)**

*J. Lionel Diaz Feb 23, 2015*  
Signature and date

*Tiffany White 2/9/2015*  
Signature of individual preparing the application and date

**J. Lionel Diaz, President**

**Tiffany White**

Name and title (print or type)

Name of individual preparing the application (print or type)

**Tiffany White CPA PLC**

Name of firm preparing the application



**Part II Information For All Requests (continued)**

	Yes	No
<b>4c</b> Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? . . . . .		✓
<b>d</b> Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? . . . . . If "Yes," attach the consent statement from the director.		✓
<b>e</b> Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . . . If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ▶ _____		✓
<b>f</b> If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
<b>g</b> Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? . . . . .		
<b>5a</b> Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . . . If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		✓
<b>b</b> Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? . . . . .		
<b>c</b> Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? . . . . . If "Yes," attach an explanation.		✓
<b>6</b> If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
<b>7</b> If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? . . . . . If "Yes," the applicant is <b>not</b> eligible to make the change.		
<b>8a</b> Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? . . . . .		
<b>b</b> If "Yes," attach an explanation.		
<b>9a</b> Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? . . . . .		✓
<b>b</b> If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
<b>c</b> If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
<b>10a</b> Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? . . . . .		✓
<b>b</b> If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).		
<b>11</b> Is the applicant requesting to change its <b>overall</b> method of accounting? . . . . . If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.		
<b>Present method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
<b>Proposed method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

<b>Part II Information For All Requests (continued)</b>				<b>Yes</b>	<b>No</b>	
<b>12</b>	If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:					
<b>a</b>	The item(s) being changed.					
<b>b</b>	The applicant's present method for the item(s) being changed.					
<b>c</b>	The applicant's proposed method for the item(s) being changed.					
<b>d</b>	The applicant's present overall method of accounting (cash, accrual, or hybrid).					
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.					
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.					
<b>15a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .					
<b>b</b>	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
<b>16</b>	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?				✓	
<b>17</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.					
	1st preceding year ended mo	yr	2nd preceding year ended mo	yr	3rd preceding year ended mo	yr
	\$		\$		\$	
<b>Part III Information For Advance Consent Request</b>				<b>Yes</b>	<b>No</b>	
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.					
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.					
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).					
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.					
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.					
<b>23a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions). ► \$					
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).					
<b>Part IV Section 481(a) Adjustment</b>				<b>Yes</b>	<b>No</b>	
<b>24</b>	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.				✓	
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.					

Part IV Section 481(a) Adjustment (continued)		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?		<input checked="" type="checkbox"/>
If "Yes," attach an explanation.			

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)		Amount
1	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.	
a	Income accrued but not received (such as accounts receivable)	\$
b	Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
c	Expenses accrued but not paid (such as accounts payable)	
d	Prepaid expenses previously deducted	
e	Supplies on hand previously deducted and/or not previously reported	
f	Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g	Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶	
h	<b>Net section 481(a) adjustment</b> (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$
2	Is the applicant also requesting the recurring item exception under section 461(h)(3)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.	

Part II Change to the Cash Method For Advance Consent Request (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
1	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
2	An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments** (see instructions)

1	If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
a	A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
b	If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34.
c	If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc. 2004-34.
2	If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
a	A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
b	A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
c	A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
d	A statement explaining whether the inventoryable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets** (see instructions)**Part I Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
- b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No  
If line 2b is "No," attach an explanation.
- c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
- d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No  
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.  
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
- b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4 To determine a contract's completion factor using the percentage-of-completion method:
- a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
- b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
- 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No  
If "No," attach a detailed explanation
- 4a Check the appropriate boxes below.
- |                                    | Inventory Being Changed |                 | Inventory Not Being Changed |
|------------------------------------|-------------------------|-----------------|-----------------------------|
|                                    | Present method          | Proposed method | Present method              |
| Identification methods:            |                         |                 |                             |
| Specific identification            |                         |                 |                             |
| FIFO                               |                         |                 |                             |
| LIFO                               |                         |                 |                             |
| Other (attach explanation)         |                         |                 |                             |
| Valuation methods:                 |                         |                 |                             |
| Cost                               |                         |                 |                             |
| Cost or market, whichever is lower |                         |                 |                             |
| Retail cost                        |                         |                 |                             |
| Retail, lower of cost or market    |                         |                 |                             |
| Other (attach explanation)         |                         |                 |                             |
- b Enter the value at the end of the tax year preceding the year of change
- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
- a Copies of Form(s) 970 filed to adopt or expand the use of the method.
- b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
- c **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs.) . . . . .		

**Part III Method of Cost Allocation** (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
<b>1</b> Marketing, selling, advertising, and distribution expenses . . . . .		
<b>2</b> Research and experimental expenses not included in Section B, line 26 . . . . .		
<b>3</b> Bidding expenses not included in Section B, line 22 . . . . .		
<b>4</b> General and administrative costs not included in Section B . . . . .		
<b>5</b> Income taxes . . . . .		
<b>6</b> Cost of strikes . . . . .		
<b>7</b> Warranty and product liability costs . . . . .		
<b>8</b> Section 179 costs . . . . .		
<b>9</b> On-site storage . . . . .		
<b>10</b> Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
<b>11</b> Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1** Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2** Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No  
If "Yes," enter the applicable section ► \_\_\_\_\_
- 3** Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? ☐ Yes ☐ No  
If "Yes," state the election made ► \_\_\_\_\_
- 4a** To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b** If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No
- c** Is the property public utility property? ☐ Yes ☐ No
- 5** To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6** If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7** If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a** The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b** The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c** The facts to support the asset class for the proposed method.
  - d** The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e** The useful life, recovery period, or amortization period of the property.
  - f** The applicable convention of the property.
  - g** A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

## Attachment to Form 3115

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

Additional information for:

Part I (a) Change No. 186

Form 3115, Part II, line 12:

(i) Not changing its overall method of accounting

Detailed and complete description for each of the following:

- a. *The Item Being Changed:* DCN 186 Accounting for non-incidental supplies
- b. *The applicant's present method for the item(s) being changed.*  
The taxpayer has been deducting such supplies as they are purchased even though the taxpayer is maintaining a count of amounts not yet used
- c. *The applicant's proposed method for the item(s) being changed.*  
Supplies for which the taxpayer is maintaining a count of items on hand will not be deducted until such items are used.

Regulation Authorizing Proposed Treatment

The proposed treatment is the method specified to be used pursuant to

Reg. § 1.162-3(a)(1), (c)(1)

- d. *The applicant's present overall method of accounting (cash, accrual, or hybrid.)* CASH

Form 3115, Part II, line 13:

*Attach a detailed and complete description of the applicant's trade or business and the principal business activity code for each.*

The applicant is an Exempt Organization, exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The applicant is required to file Form 990-PF, Return of Private Foundation. The foundation gives out scholarship grants that comply with the requirements of section 4945(g)(1). The applicant's only source of income is from investment income and a small amount of contributions from donors each year.



**Attachment to Form 3115**

**Filer:** Eloisa Diaz Educational Foundation

**Filer Identification number:** 86-1006606

**Tax year of change begins:** 09/01/2013

**Tax year of change ends:** 08/31/2014

**Attachment for Part IV, Question 25**

<b>§481(a) Adjustment as of January 1, 2014</b>	<b>\$</b>	<b>0</b>
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# Application for Change in Accounting Method

OMB No 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) <b>Eloisa Diaz Educational Foundation</b>		Identification number (see instructions) <b>86-1006606</b>	
		Principal business activity code number (see instructions) <b>523900</b>	
Number, street, and room or suite no. If a P.O. box, see the instructions <b>1439 W Mendoza Avenue</b>		Tax year of change begins (MM/DD/YYYY) <b>09/01/2013</b>	
City or town, state, and ZIP code <b>Mesa, AZ 85202</b>		Tax year of change ends (MM/DD/YYYY) <b>08/31/2014</b>	
		Name of contact person (see instructions) <b>J. Lionel Diaz</b>	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Contact person's telephone number <b>602-909-5040</b>	

If the applicant is a member of a consolidated group, check this box ☐  
If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐

**Check the box to indicate the type of applicant.**

- |  |  |
|--|--|
| <input type="checkbox"/> Individual  | <input type="checkbox"/> Cooperative (Sec. 1381)     |
| <input type="checkbox"/> Corporation   | <input type="checkbox"/> Partnership                 |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957)                                       | <input type="checkbox"/> S corporation               |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))   | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2))                         | <input type="checkbox"/> Insurance co. (Sec. 831)    |
| <input checked="" type="checkbox"/> Exempt organization. Enter Code section ▶ <b>501(a) of 501(c)(3)</b> | <input type="checkbox"/> Other (specify) ▶           |

**Check the appropriate box to indicate the type of accounting method change being requested.** (see instructions)

- ☐ Depreciation or Amortization  
☐ Financial Products and/or Financial Activities of Financial Institutions  
☒ Other (specify) ▶ **Accounting method change**

**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

**Part I Information For Automatic Change Request**

- 1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions

▶ (a) Change No. **187** (b) Other ☐ Description ▶

- 2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.

**Note.** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

**Part II Information For All Requests**

- 3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)?  
If "Yes," the applicant is not eligible to make the change under automatic change request procedures.
- 4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)?  
If "No," go to line 5.
- b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?

**Signature** (see instructions)

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

**Filer**

**Preparer (other than filer/applicant)**

*J. Lionel Diaz Feb 23, 2015*  
Signature and date

*Tiffany White 2/9/2015*  
Signature of individual preparing the application and date

**J. Lionel Diaz, President**

**Tiffany White**

Name and title (print or type)

Name of individual preparing the application (print or type)

**Tiffany White CPA PLC**

Name of firm preparing the application

Part II Information For All Requests (continued)		Yes	No	
4c	is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		✓	
d	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.		✓	
e	Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ▶		✓	
f	If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ Telephone number ▶ Tax year(s) ▶			
g	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?			
5a	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ▶ Telephone number ▶ Tax year(s) ▶		✓	
b	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?			
c	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? If "Yes," attach an explanation.		✓	
6	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.			
7	If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is <b>not</b> eligible to make the change.			
8a	Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?			
b	If "Yes," attach an explanation.			
9a	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?		✓	
b	If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.			
c	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.			
10a	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?		✓	
b	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).			
11	Is the applicant requesting to change its <b>overall</b> method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.			
Present method:		<input type="checkbox"/> Cash	<input type="checkbox"/> Accrual	<input type="checkbox"/> Hybrid (attach description)
Proposed method:		<input type="checkbox"/> Cash	<input type="checkbox"/> Accrual	<input type="checkbox"/> Hybrid (attach description)

<b>Part II Information For All Requests (continued)</b>				<b>Yes</b>	<b>No</b>	
<b>12</b>	If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:					
<b>a</b>	The item(s) being changed.					
<b>b</b>	The applicant's present method for the item(s) being changed.					
<b>c</b>	The applicant's proposed method for the item(s) being changed.					
<b>d</b>	The applicant's present overall method of accounting (cash, accrual, or hybrid).					
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.					
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.					
<b>15a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .					
<b>b</b>	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
<b>16</b>	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?				✓	
<b>17</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.					
	1st preceding year ended mo	yr.	2nd preceding year ended mo	yr	3rd preceding year ended mo	yr
	\$		\$		\$	
<b>Part III Information For Advance Consent Request</b>				<b>Yes</b>	<b>No</b>	
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.					
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.					
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).					
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.					
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.					
<b>23a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions). ► \$					
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).					
<b>Part IV Section 481(a) Adjustment</b>				<b>Yes</b>	<b>No</b>	
<b>24</b>	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . If "Yes," do not complete lines 25, 26, and 27 below.				✓	
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.					

Part IV Section 481(a) Adjustment (continued)		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?		✓
If "Yes," attach an explanation.			

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)		Amount
1	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.	
a	Income accrued but not received (such as accounts receivable)	\$
b	Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
c	Expenses accrued but not paid (such as accounts payable)	
d	Prepaid expenses previously deducted	
e	Supplies on hand previously deducted and/or not previously reported	
f	Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g	Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶	
h	<b>Net section 481(a) adjustment</b> (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$
2	Is the applicant also requesting the recurring item exception under section 461(h)(3)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.	

Part II Change to the Cash Method For Advance Consent Request (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
1	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
2	An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments** (see instructions)

1	If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
a	A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
b	If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34.
c	If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.
2	If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
a	A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
b	A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
c	A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
d	A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1** Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a** Valuing inventory (e.g., unit method or dollar-value method).
  - b** Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c** Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d** Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2** If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3** If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4** If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5** Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6** If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1** If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2** If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a** A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b** A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c** If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d** A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e** A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f** A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g** A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3** If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4** If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets** (see instructions)

**Part I** **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1** To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
  - 2a** Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
  - b** If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No  
If line 2b is "No," attach an explanation.
  - c** If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
  - d** If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No  
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.  
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
  - 3a** Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
  - b** If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
  - c** Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
  - 4** To determine a contract's completion factor using the percentage-of-completion method:
    - a** Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
    - b** If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
  - 5** Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

<b>Part II</b>	<b>Change in Valuing Inventories Including Cost Allocation Changes</b> (Also complete Part III on pages 7 and 8.)
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- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)?  
If "No," attach a detailed explanation ☐ Yes ☐ No

- 4a** Check the appropriate boxes below.

**Identification methods:**

Specific identification . . . . .

FIFO . . . . .

LIFO . . . . .

Other (attach explanation) . . . . .

**Valuation methods:**

Cost . . . . .

Cost or market, whichever is lower . . . . .

Retail cost . . . . .

Retail, lower of cost or market . . . . .

Other (attach explanation) . . . . .

- b** Enter the value at the end of the tax year preceding the year of change

- 5** If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).

- a** Copies of Form(s) 970 filed to adopt or expand the use of the method.

- b Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.

- c Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

[illegible]

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs.) . . . . .		



**Part III Method of Cost Allocation** (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses . . . . .		
2 Research and experimental expenses not included in Section B, line 26 . . . . .		
3 Bidding expenses not included in Section B, line 22 . . . . .		
4 General and administrative costs not included in Section B . . . . .		
5 Income taxes . . . . .		
6 Cost of strikes . . . . .		
7 Warranty and product liability costs . . . . .		
8 Section 179 costs . . . . .		
9 On-site storage . . . . .		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
11 Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . ☐ Yes ☐ No  
If "Yes," enter the applicable section ► \_\_\_\_\_
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? . . . . ☐ Yes ☐ No  
If "Yes," state the election made ► \_\_\_\_\_
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . ☐ Yes ☐ No
- c Is the property public utility property? . . . . ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

**Attachment to Form 3115**

**Filer:** Eloisa Diaz Educational Foundation

**Filer Identification number:** 86-1006606

**Tax year of change begins:** 09/01/2013

**Tax year of change ends:** 08/31/2014

**Additional information for:**

**Part I (a) Change No. 187**

**Form 3115, Part II, line 12:**

**(i) Not changing its overall method of accounting**

**Detailed and complete description for each of the following:**

- a. *The Item Being Changed:* DCN 187 Accounting for incidental materials and supplies
- b. *The applicant's present method for the item(s) being changed.*  
The taxpayer has been deducting such supplies as they are purchased
- c. *The applicant's proposed method for the item(s) being changed.*  
The taxpayer will continue deducting such supplies as they are purchased

Regulation Authorizing Proposed Treatment

The proposed treatment is the method specified to be used pursuant to

Reg. § 1.162-3(a)(2), (c)(1)

- d. *The applicant's present overall method of accounting (cash, accrual, or hybrid.)* CASH

**Form 3115, Part II, line 13:**

***Attach a detailed and complete description of the applicant's trade or business and the principal business activity code for each.***

The applicant is an Exempt Organization, exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The applicant is required to file Form 990-PF, Return of Private Foundation. The foundation gives out scholarship grants that comply with the requirements of section 4945(g)(1). The applicant's only source of income is from investment income and a small amount of contributions from donors each year.

**Attachment to Form 3115**

**Filer:** Eloisa Diaz Educational Foundation

**Filer Identification number:** 86-1006606

**Tax year of change begins:** 09/01/2013

**Tax year of change ends:** 08/31/2014

**Attachment for Part IV, Question 25**

<b>§481(a) Adjustment as of January 1, 2014</b>	<b>\$</b>	<b>0</b>
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Form **3115**(Rev. December 2009)  
Department of the Treasury  
Internal Revenue Service**Application for Change in Accounting Method**

OMB No 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)

**Eloisa Diaz Educational Foundation**

Identification number (see instructions)

**86-1006606**

Principal business activity code number (see instructions)

**523900**

Number, street, and room or suite no. If a P.O. box, see the instructions

**1439 W Mendoza Avenue**

Tax year of change begins (MM/DD/YYYY)

**09/01/2013**

Tax year of change ends (MM/DD/YYYY)

**08/31/2014**

City or town, state, and ZIP code

**Mesa, AZ 85202**

Name of contact person (see instructions)

**J. Lionel Diaz**

Name of applicant(s) (if different than filer) and identification number(s) (see instructions)

Contact person's telephone number

**602-909-5040**If the applicant is a member of a consolidated group, check this box ☐If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐**Check the box to indicate the type of applicant.**

- ☐ Individual  
☐ Corporation  
☐ Controlled foreign corporation (Sec. 957)  
☐ 10/50 corporation (Sec. 904(d)(2)(E))  
☐ Qualified personal service corporation (Sec. 448(d)(2))  
☒ Exempt organization Enter Code section ► **501(a) of 501(c)(3)**
- ☐ Cooperative (Sec. 1381)  
☐ Partnership  
☐ S corporation  
☐ Insurance co. (Sec. 816(a))  
☐ Insurance co. (Sec. 831)  
☐ Other (specify) ►

**Check the appropriate box to indicate the type of accounting method change being requested.** (see instructions)

- ☐ Depreciation or Amortization  
☐ Financial Products and/or Financial Activities of Financial Institutions  
☒ Other (specify) ► **Accounting method change**

**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

**Part I Information For Automatic Change Request**

- 1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.

Yes No

► (a) Change No. **192** (b) Other ☐ Description ►

- 2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation. . . . .

Yes No

**Note.** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

**Part II Information For All Requests**

Yes No

- 3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? . . . . .  
If "Yes," the applicant is not eligible to make the change under automatic change request procedures.

Yes No

- 4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? . . . . .  
If "No," go to line 5.

Yes No

- b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)? . . . . .

Yes No

**Signature** (see instructions)

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

Filer

Preparer (other than filer/applicant)

*J. Lionel Diaz Feb 23, 2015*  
Signature and date

*Tiffany White 2/9/2015*  
Signature of individual preparing the application and date

**J. Lionel Diaz, President****Tiffany White**

Name and title (print or type)

Name of individual preparing the application (print or type)

**Tiffany White CPA PLC**

Name of firm preparing the application

**Part II Information For All Requests (continued)**

	Yes	No
<b>4c</b> Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? . . . . .		<input checked="" type="checkbox"/>
<b>d</b> Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? . . . . . If "Yes," attach the consent statement from the director.		<input checked="" type="checkbox"/>
<b>e</b> Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . . . If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ► _____		<input checked="" type="checkbox"/>
<b>f</b> If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		
<b>g</b> Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? . . . . .		
<b>5a</b> Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . . . If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		<input checked="" type="checkbox"/>
<b>b</b> Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? . . . . .		
<b>c</b> Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? . . . . . If "Yes," attach an explanation.		<input checked="" type="checkbox"/>
<b>6</b> If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
<b>7</b> If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? . . . . . If "Yes," the applicant is <b>not</b> eligible to make the change.		
<b>8a</b> Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? . . . . .		
<b>b</b> If "Yes," attach an explanation.		
<b>9a</b> Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? . . . . .		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
<b>c</b> If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
<b>10a</b> Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? . . .		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).		
<b>11</b> Is the applicant requesting to change its <b>overall</b> method of accounting? . . . . . If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.		
<b>Present method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
<b>Proposed method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

<b>Part II Information For All Requests (continued)</b>				<b>Yes</b>	<b>No</b>	
<b>12</b>	If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items. attach a detailed and complete description for each of the following:					
<b>a</b>	The item(s) being changed.					
<b>b</b>	The applicant's present method for the item(s) being changed.					
<b>c</b>	The applicant's proposed method for the item(s) being changed.					
<b>d</b>	The applicant's present overall method of accounting (cash, accrual, or hybrid).					
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.					
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.					
<b>15a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .					
<b>b</b>	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
<b>16</b>	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?				✓	
<b>17</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.					
	1st preceding year ended mo	yr	2nd preceding year ended mo	yr	3rd preceding year ended mo	yr
	\$		\$		\$	
<b>Part III Information For Advance Consent Request</b>				<b>Yes</b>	<b>No</b>	
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.					
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.					
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).					
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.					
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.					
<b>23a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions). ► \$					
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).					
<b>Part IV Section 481(a) Adjustment</b>				<b>Yes</b>	<b>No</b>	
<b>24</b>	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . If "Yes," do not complete lines 25, 26, and 27 below.				✓	
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.					

<b>Part IV Section 481(a) Adjustment (continued)</b>		<b>Yes</b>	<b>No</b>
<b>26</b>	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		
<b>27</b>	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?		<input checked="" type="checkbox"/>
If "Yes," attach an explanation.			

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)

<b>Part I Change in Overall Method</b> (see instructions)		<b>Amount</b>
<b>1</b>	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.	
<b>a</b>	Income accrued but not received (such as accounts receivable)	\$
<b>b</b>	Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
<b>c</b>	Expenses accrued but not paid (such as accounts payable)	
<b>d</b>	Prepaid expenses previously deducted	
<b>e</b>	Supplies on hand previously deducted and/or not previously reported	
<b>f</b>	Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
<b>g</b>	Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ►	
<b>h</b>	<b>Net section 481(a) adjustment</b> (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$
<b>2</b>	Is the applicant also requesting the recurring item exception under section 461(h)(3)?	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>3</b>	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.	

<b>Part II Change to the Cash Method For Advance Consent Request</b> (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
<b>1</b>	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
<b>2</b>	An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments** (see instructions)

<b>1</b>	If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information: <ul style="list-style-type: none"> <li><b>a</b> A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.</li> <li><b>b</b> If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34.</li> <li><b>c</b> If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.</li> </ul>
<b>2</b>	If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following. <ul style="list-style-type: none"> <li><b>a</b> A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).</li> <li><b>b</b> A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).</li> <li><b>c</b> A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).</li> <li><b>d</b> A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.</li> </ul>

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).



**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets** (see instructions)

**Part I Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
- b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No  
If line 2b is "No," attach an explanation.
- c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
- d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No  
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.  
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
- b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4 To determine a contract's completion factor using the percentage-of-completion method:
- a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
- b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
- 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No  
If "No," attach a detailed explanation.

**4a Check the appropriate boxes below.**
**Identification methods:**

Specific identification . . . . .

FIFO . . . . .

LIFO . . . . .

Other (attach explanation) . . . . .

**Valuation methods:**

Cost . . . . .

Cost or market, whichever is lower . . . . .

Retail cost . . . . .

Retail, lower of cost or market . . . . .

Other (attach explanation) . . . . .

- b Enter the value at the end of the tax year preceding the year of change

- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).

- a Copies of Form(s) 970 filed to adopt or expand the use of the method.
- b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
- c **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

Inventory Being Changed		Inventory Not Being Changed
Present method	Proposed method	Present method

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs.) . . . . .		

**Part III Method of Cost Allocation** (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
<b>1</b> Marketing, selling, advertising, and distribution expenses . . . . .		
<b>2</b> Research and experimental expenses not included in Section B, line 26 . . . . .		
<b>3</b> Bidding expenses not included in Section B, line 22 . . . . .		
<b>4</b> General and administrative costs not included in Section B . . . . .		
<b>5</b> Income taxes . . . . .		
<b>6</b> Cost of strikes . . . . .		
<b>7</b> Warranty and product liability costs . . . . .		
<b>8</b> Section 179 costs . . . . .		
<b>9</b> On-site storage . . . . .		
<b>10</b> Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
<b>11</b> Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1** Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2** Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . ☐ Yes ☐ No  
If "Yes," enter the applicable section ► \_\_\_\_\_
- 3** Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? . . . . ☐ Yes ☐ No  
If "Yes," state the election made ► \_\_\_\_\_
- 4a** To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b** If the property is residential rental property, did the applicant live in the property before renting it? . . ☐ Yes ☐ No
- c** Is the property public utility property? . . . . ☐ Yes ☐ No
- 5** To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6** If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7** If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a** The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b** The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c** The facts to support the asset class for the proposed method.
  - d** The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e** The useful life, recovery period, or amortization period of the property.
  - f** The applicable convention of the property.
  - g** A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

Attachment to Form 3115

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

Additional information for:

Part I (a) Change No. 192

Form 3115, Part II, line 12:

(i) Not changing its overall method of accounting

Detailed and complete description for each of the following:

- a. *The Item Being Changed:* Accounting for legal fees incurred to protect title to property
- b. *The applicant's present method for the item(s) being changed.*  
The taxpayer had expensed such legal fees at the time the cost is incurred.
- c. *The applicant's proposed method for the item(s) being changed.* The taxpayer proposed to add such legal fees to the basis of the property when title to the property is contested.

Regulation Authorizing Proposed Treatment

The proposed treatment is the method specified to be used pursuant to  
§ 1.263(a)-2

- d. *The applicant's present overall method of accounting (cash, accrual, or hybrid.)* CASH

Form 3115, Part II, line 13:

*Attach a detailed and complete description of the applicant's trade or business and the principal business activity code for each.*

The applicant is an Exempt Organization, exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The applicant is required to file Form 990-PF, Return of Private Foundation. The foundation gives out scholarship grants that comply with the requirements of section 4945(g)(1). The applicant's only source of income is from investment income and a small amount of contributions from donors each year.

**Attachment to Form 3115**

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

**Attachment for Part IV, Question 25**

§481(a) Adjustment as of January 1, 2014	\$	0
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# Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) <b>Eloisa Diaz Educational Foundation</b>		Identification number (see instructions) <b>86-1006606</b>	
		Principal business activity code number (see instructions) <b>523900</b>	
Number, street, and room or suite no. If a P.O. box, see the instructions. <b>1439 W Mendoza Avenue</b>		Tax year of change begins (MM/DD/YYYY) <b>09/01/2013</b>	
City or town, state, and ZIP code <b>Mesa, AZ 85202</b>		Tax year of change ends (MM/DD/YYYY) <b>08/31/2014</b>	
		Name of contact person (see instructions) <b>J. Lionel Diaz</b>	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Contact person's telephone number <b>602-909-5040</b>	

If the applicant is a member of a consolidated group, check this box ☐  
If **Form 2848**, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐

**Check the box to indicate the type of applicant.**

- |  |  |
|--|--|
| <input type="checkbox"/> Individual  | <input type="checkbox"/> Cooperative (Sec. 1381)     |
| <input type="checkbox"/> Corporation   | <input type="checkbox"/> Partnership                 |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957)                                       | <input type="checkbox"/> S corporation               |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))   | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2))                         | <input type="checkbox"/> Insurance co. (Sec. 831)    |
|  | <input type="checkbox"/> Other (specify) ▶           |
| <input checked="" type="checkbox"/> Exempt organization. Enter Code section ▶ <b>501(a) of 501(c)(3)</b> |  |

**Check the appropriate box to indicate the type of accounting method change being requested.**  
(see instructions)

- ☐ Depreciation or Amortization  
☐ Financial Products and/or Financial Activities of Financial Institutions  
☒ Other (specify) ▶ **Accounting method change**

**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

**Part I Information For Automatic Change Request**

- 1** Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.

▶ (a) Change No. **193** (b) Other ☐ Description ▶

- 2** Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.

**Note.** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

**Part II Information For All Requests**

- 3** Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)?  
If "Yes," the applicant is not eligible to make the change under automatic change request procedures.
- 4a** Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)?  
If "No," go to line 5.
- b** Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?

Signature (see instructions)

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

Filer

Preparer (other than filer/applicant)

*J. Lionel Diaz Feb 23, 2015*  
Signature and date

*Tiffany White 2/9/2015*  
Signature of individual preparing the application and date

J. Lionel Diaz, President

Name and title (print or type)

Tiffany White

Name of individual preparing the application (print or type)

Tiffany White CPA PLC

Name of firm preparing the application

**Part II Information For All Requests (continued)**

- 4c** Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? . . . . .
- d** Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? . . . . .  
If "Yes," attach the consent statement from the director.
- e** Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . . . . .  
If "Yes," check the box for the applicable window period and attach the required statement (see instructions).  
☐ 90 day ☐ 120 day: Date examination ended ▶ \_\_\_\_\_
- f** If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination.  
Name ▶ \_\_\_\_\_ Telephone number ▶ \_\_\_\_\_ Tax year(s) ▶ \_\_\_\_\_
- g** Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? . . . . .
- 5a** Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . . .  
If "Yes," enter the name of the (check the box) ☐ Appeals officer and/or ☐ counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court.  
Name ▶ \_\_\_\_\_ Telephone number ▶ \_\_\_\_\_ Tax year(s) ▶ \_\_\_\_\_
- b** Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? . . . . .
- c** Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? . . . . .  
If "Yes," attach an explanation.
- 6** If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.
- 7** If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? . . . . .  
If "Yes," the applicant is **not** eligible to make the change.
- 8a** Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? . . . . .
- b** If "Yes," attach an explanation.
- 9a** Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? . . . . .
- b** If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.
- c** If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.
- 10a** Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? . . . . .
- b** If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).
- 11** Is the applicant requesting to change its **overall** method of accounting? . . . . .  
If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.

**Present method:** ☐ Cash ☐ Accrual ☐ Hybrid (attach description)

**Proposed method:** ☐ Cash ☐ Accrual ☐ Hybrid (attach description)

<b>Part II Information For All Requests (continued)</b>				<b>Yes</b>	<b>No</b>									
12	If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:													
a	The item(s) being changed.													
b	The applicant's present method for the item(s) being changed.													
c	The applicant's proposed method for the item(s) being changed.													
d	The applicant's present overall method of accounting (cash, accrual, or hybrid).													
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.													
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.													
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .													
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.													
16	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?	✓												
17	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1st preceding year ended. mo</td> <td style="width: 33%; text-align: center;">2nd preceding year ended mo</td> <td style="width: 33%; text-align: center;">3rd preceding year ended mo</td> </tr> <tr> <td style="text-align: center;">yr</td> <td style="text-align: center;">yr</td> <td style="text-align: center;">yr</td> </tr> <tr> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> </table>	1st preceding year ended. mo	2nd preceding year ended mo	3rd preceding year ended mo	yr	yr	yr	\$	\$	\$				
1st preceding year ended. mo	2nd preceding year ended mo	3rd preceding year ended mo												
yr	yr	yr												
\$	\$	\$												
<b>Part III Information For Advance Consent Request</b>				<b>Yes</b>	<b>No</b>									
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.													
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.													
20	Attach a copy of all documents related to the proposed change (see instructions).													
21	Attach a statement of the applicant's reasons for the proposed change.													
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.													
23a	Enter the amount of <b>user fee</b> attached to this application (see instructions). ▶ \$													
b	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).													
<b>Part IV Section 481(a) Adjustment</b>				<b>Yes</b>	<b>No</b>									
24	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.	✓												
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.													



<b>Part IV</b>	<b>Section 481(a) Adjustment (continued)</b>
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	Yes	No
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- 26** If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? . . . . .
- 27** Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . .  
If "Yes," attach an explanation.

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)

Part I	Change in Overall Method (see instructions)
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- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

- a** Income accrued but not received (such as accounts receivable) . . . . .
- b** Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method . . . . .
- c** Expenses accrued but not paid (such as accounts payable) . . . . .
- d** Prepaid expenses previously deducted . . . . .
- e** Supplies on hand previously deducted and/or not previously reported . . . . .
- f** Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . . .
- g** Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ►
- h** **Net section 481(a) adjustment** (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.

[illegible]

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? . . . . . ☐ Yes ☐ No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

**Part II**      **Change to the Cash Method For Advance Consent Request** (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments (see instructions)**

- 1** If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:

  - a** A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
  - b** If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34.
  - c** If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc. 2004-34.
- 2** If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.

  - a** A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
  - b** A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
  - c** A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
  - d** A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1** Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a** Valuing inventory (e.g., unit method or dollar-value method).
  - b** Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c** Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d** Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2** If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3** If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4** If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5** Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6** If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1** If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2** If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a** A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b** A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c** If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d** A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e** A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f** A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g** A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3** If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4** If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Part I** **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)**Part I** **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1** To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a** Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? . . . ☐ Yes ☐ No
- b** If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? . . . ☐ Yes ☐ No
- If line 2b is "No," attach an explanation.
- c** If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? . . . ☐ Yes ☐ No
- d** If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? . . . ☐ Yes ☐ No
- If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.
- If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3a** Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? . . . ☐ Yes ☐ No
- b** If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c** Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods
- 4** To determine a contract's completion factor using the percentage-of-completion method:
- a** Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? . . . ☐ Yes ☐ No
- b** If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? . . . ☐ Yes ☐ No
- 5** Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)?  
If "No," attach a detailed explanation ☐ Yes ☐ No

- 4a** Check the appropriate boxes below.

### Identification methods:

**Specific identification .**

FIFO

**LIFO**

Other (attach explanation)

**Valuation methods:**

**Cost**

Cost or market, whichever is lower

Retail cost

**Retail, lower of cost or market**

Other (attach explanation)

- b** Enter the value at the end of the tax year preceding the year of change

- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
- a Copies of Form(s) 970 filed to adopt or expand the use of the method.
  - b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
  - c **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

[illegible]

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material . . . . .		
2 Direct labor . . . . .		
3 Indirect labor . . . . .		
4 Officers' compensation (not including selling activities) . . . . .		
5 Pension and other related costs . . . . .		
6 Employee benefits . . . . .		
7 Indirect materials and supplies . . . . .		
8 Purchasing costs . . . . .		
9 Handling, processing, assembly, and repackaging costs . . . . .		
10 Offsite storage and warehousing costs . . . . .		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle . . . . .		
12 Depletion . . . . .		
13 Rent . . . . .		
14 Taxes other than state, local, and foreign income taxes . . . . .		
15 Insurance . . . . .		
16 Utilities . . . . .		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity . . . . .		
18 Engineering and design costs (not including section 174 research and experimental expenses) . . . . .		
19 Rework labor, scrap, and spoilage . . . . .		
20 Tools and equipment . . . . .		
21 Quality control and inspection . . . . .		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant . . . . .		
23 Licensing and franchise costs . . . . .		
24 Capitalizable service costs (including mixed service costs) . . . . .		
25 Administrative costs (not including any costs of selling or any return on capital) . . . . .		
26 Research and experimental expenses attributable to long-term contracts . . . . .		
27 Interest . . . . .		
28 Other costs (Attach a list of these costs) . . . . .		

**Part III Method of Cost Allocation** (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses . . . . .		
2 Research and experimental expenses not included in Section B, line 26 . . . . .		
3 Bidding expenses not included in Section B, line 22 . . . . .		
4 General and administrative costs not included in Section B . . . . .		
5 Income taxes . . . . .		
6 Cost of strikes . . . . .		
7 Warranty and product liability costs . . . . .		
8 Section 179 costs . . . . .		
9 On-site storage . . . . .		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
11 Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . ☐ Yes ☐ No  
If "Yes," enter the applicable section ► \_\_\_\_\_
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? . . . . ☐ Yes ☐ No  
If "Yes," state the election made ► \_\_\_\_\_
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . ☐ Yes ☐ No
- c Is the property public utility property? . . . . ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

Attachment to Form 3115

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

Additional information for:

Part I (a) Change No. 193

Form 3115, Part II, line 12:

(i) Not changing its overall method of accounting

Detailed and complete description for each of the following:

- a. *The Item Being Changed:* Accounting for legal fees incurred to investigate or pursue the acquisition of real property
- b. *The applicant's present method for the item(s) being changed.*  
The taxpayer had expensed such legal fees and appraisal costs at the time the cost is incurred.
- c. *The applicant's proposed method for the item(s) being changed.* The taxpayer proposed to capitalize such legal fee and appraisal costs when paid and add to the basis of the property. In addition, may recover the legal and appraisal costs allocable to the property not acquired in accordance with paragraphs (f)(3)(ii) and (h) of § 1.263(a)-2

Regulation Authorizing Proposed Treatment

The proposed treatment is the method specified to be used pursuant to  
§ 1.263(a)-2

- d. *The applicant's present overall method of accounting (cash, accrual, or hybrid.)* CASH

Form 3115, Part II, line 13:

*Attach a detailed and complete description of the applicant's trade or business and the principal business activity code for each.*

The applicant is an Exempt Organization, exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The applicant is required to file Form 990-PF, Return of Private Foundation. The foundation gives out scholarship grants that comply with the requirements of section 4945(g)(1). The applicant's only source of income is from investment income and a small amount of contributions from donors each year.

**Attachment to Form 3115**

Filer: Eloisa Diaz Educational Foundation

Filer Identification number: 86-1006606

Tax year of change begins: 09/01/2013

Tax year of change ends: 08/31/2014

**Attachment for Part IV, Question 25**

§481(a) Adjustment as of January 1, 2014	\$	0
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Form **8868**

(Rev. January 2014)

Department of the Treasury  
Internal Revenue Service

# **Application for Extension of Time To File an Exempt Organization Return**

► **File a separate application for each return.**

OMB No 1545-1709

► **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ . . . . .
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

## **Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐ . . . . .

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

**Enter filer's identifying number, see instructions**

Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>Eloisa Diaz Educational Foundation</b>	Employer identification number (EIN) or <b>86-1006606</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1439 W Mendoza Avenue</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>Mesa, AZ 85202</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . **0 4**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► **Jesus Lionel Diaz, 1439 W Mendoza Avenue, AZ 85202**

Telephone No. ► **480-600-4661**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐ . . . . .

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . . . . . If this is for the whole group, check this box ☐ . . . . . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **04-15**, 20**15**, to file the exempt organization return for the organization named above. The extension is for the organization's return for  
► ☐ calendar year 20\_\_ or

► ☒ tax year beginning **09-01**, 20**13**, and ending **08-31**, 20**14**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>1,141</b>
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>1,520</b>
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>0</b>

**Caution.** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**For Privacy Act and Paperwork Reduction Act Notice, see Instructions.**

Form **8868** (Rev. 1-2014)