Form **990-PF** | Department of the Treasury Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ 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*

OMB No. 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning , 2015, and ending , 20

Name of foundation: ELIZABETH MORSE CHARITABLE TRUST P80971008

A Employer identification number: 36-6999365

Number and street (or P.O box number if mail is not delivered to street address): 10 S DEARBORN IL1-0117

Room/suite:

B Telephone number (see instructions): 866-888-5157

City or town, state or province, country, and ZIP or foreign postal code: CHICAGO, IL 60603-2300

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 50,435,110.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (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 ▶ ☐

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)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	792,919.	791,964.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,905,204.			
	b Gross sales price for all assets on line 6a 6,237,909.				
	7 Capital gain net income (from Part IV, line 2)		1,905,204.		
	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)	-1,040.	344,750.		STMT 1
	12 **Total.** Add lines 1 through 11	2,697,083.	3,041,918.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	530,580.	255,974.		274,606.
	14 Other employee salaries and wages	78,638.	NONE	NONE	78,638.
	15 Pension plans, employee benefits	19,143.	NONE	NONE	19,143.
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 2	600.	300.	NONE	300.
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 3	83,139.	16,139.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy	32,797.			32,797.
	21 Travel, conferences, and meetings		NONE	NONE	
	22 Printing and publications		NONE	NONE	
	23 Other expenses (attach schedule) STMT. 4	21,633.			21,633.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	766,530.	272,413.	NONE	427,117.
	25 Contributions, gifts, grants paid	2,166,500.			2,166,500.
	26 **Total expenses and disbursements** Add lines 24 and 25	2,933,030.	272,413.	NONE	2,593,617.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-235,947.			
	b **Net investment income** (if negative, enter -0-)		2,769,505.		
	c **Adjusted net income** (if negative, enter -0-)				

Postmark Missing

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets			
1 Cash - non-interest-bearing	301,748.	350,855.	350,855.
2 Savings and temporary cash investments	1,531,390.	1,215,172.	1,215,172.
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 ▶ NONE			
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)	23,616,025.	23,407,851.	30,670,455.
c Investments - corporate bonds (attach schedule)	6,883,996.	7,383,996.	7,061,983.
11 Investments - land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶			
12 Investments - mortgage loans			
13 Investments - other (attach schedule)	8,232,698.	9,291,793.	11,131,733.
14 Land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶ SECURITY DEPOSIT - LEASE)	4,912.	4,912.	4,912.
16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	40,570,769.	41,654,579.	50,435,110.
Liabilities			
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 ▶)			
23 **Total liabilities** (add lines 17 through 22)		NONE	
Net Assets or Fund Balances			
Foundations that follow SFAS 117, check here ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
24 Unrestricted			
25 Temporarily restricted			
26 Permanently restricted			
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒			
27 Capital stock, trust principal, or current funds	40,570,769.	41,654,579.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds			
30 **Total net assets or fund balances** (see instructions)	40,570,769.	41,654,579.	
31 **Total liabilities and net assets/fund balances** (see instructions)	40,570,769.	41,654,579.	

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	40,570,769.
2 Enter amount from Part I, line 27a	2	-235,947.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 5	3	1,319,757.
4 Add lines 1, 2, and 3	4	41,654,579.
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	41,654,579.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	6,237,909.		4,332,705.	1,905,204.
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				1,905,204.
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	1,905,204.
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))
2014	2,442,640.	52,389,093.	0.046625
2013	2,197,516.	48,654,876.	0.045165
2012	2,027,739.	43,863,278.	0.046229
2011	2,230,197.	44,278,987.	0.050367
2010	1,860,769.	41,809,316.	0.044506

2	**Total** of line 1, column (d)	2	0.232892
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	0.046578
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	52,202,279.
5	Multiply line 4 by line 3	5	2,431,478.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	27,695.
7	Add lines 5 and 6	7	2,459,173.
8	Enter qualifying distributions from Part XII, line 4	8	2,593,617.

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 ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter ________________ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	27,695.
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	
3	Add lines 1 and 2	3	27,695.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	27,695.
6	Credits/Payments		
a	2015 estimated tax payments and 2014 overpayment credited to 2015 — 6a: 76,887.		
b	Exempt foreign organizations - tax withheld at source — 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	76,887.
8	Enter any **penalty** for underpayment of estimated tax. Check here [X] 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	49,192.
11	Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ▶ 26,000. **Refunded** ▶	11	23,192.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		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*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IL			
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*	8b	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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

			Yes	No
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?	13	X	

Website address ▶ www.morsetrust.org

14 The books are in care of ▶ JPMORGAN CHASE BANK, NA Telephone no. ▶ (312) 732-1096
Located at ▶ 10 SOUTH DEARBORN, IL1-0117, CHICAGO, IL ZIP+4 ▶ 60603-2300

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 ▶ 15

			Yes	No
16	At any time during calendar year 2015, 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?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

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? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ 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)? ☐ Yes ☒ 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.) ☐ Yes ☒ 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)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ Yes ☒ 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		X
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? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2015 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 2015.)*	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 2015?	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 [X] 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 [X] No

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) . . . . . . [ ] Yes [X] 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 [X] No

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

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 [X] No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . . **6b** | | X

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 [X] No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

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
JPMORGAN CHASE BANK, NA 10 SOUTH DEARBORN St, CHICAGO, IL 60603	CO-TRUSTEE 25	218,709.	-0-	-0-
JAMES L. ALEXANDER 208 S. LASALLE STREET, SUITE 1660, CHICAGO, IL 60604-	CO-TRUSTEE 25	311,871.	-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
MELISSA R PHIPPS C/O 10 S. DEARBORN ST. FL 21, CHICAGO, IL	PROGRAM OFFICER 40 H	55,281	7,419.	-0-

Total number of other employees paid over $50,000 . . . . . . ▶ NONE

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		NONE

Total number of others receiving over $50,000 for professional services . . . . ▶ NONE

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 SEE ATTACHED SCHEDULE - EXPENSES INCLUDED IN TRUSTEE COMPENSATION SET FORTH IN SECTION VIII(1)(C), ABOVE.	
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 N/A	
2	
All other program-related investments See instructions 3 NONE	
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	51,561,314.
b	Average of monthly cash balances	1b	1,435,924.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	52,997,238.
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	NONE
3	Subtract line 2 from line 1d	3	52,997,238.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	794,959.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	52,202,279.
6	**Minimum investment return.** Enter 5% of line 5	6	2,610,114.

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	2,610,114.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	27,695.		
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	27,695.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	2,582,419.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	2,582,419.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	2,582,419.

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	2,593,617.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,593,617.
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	27,695.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,565,922.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				2,582,419.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			2,161,227.	
b Total for prior years 20 13 ,20 ,20		NONE		
3 Excess distributions carryover, if any, to 2015				
a From 2010 . . . . . . NONE				
b From 2011 . . . . . . NONE				
c From 2012 . . . . . . NONE				
d From 2013 . . . . . . NONE				
e From 2014 . . . . . . NONE				
f **Total** of lines 3a through e	NONE			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ $ 2,593,617.				
a Applied to 2014, but not more than line 2a			2,161,227.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2015 distributable amount				432,390.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2015 (*If an amount appears in column (d), the same amount must be shown in column (a).*)	NONE			NONE
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
c 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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				2,150,029.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2011 . . . NONE				
b Excess from 2012 . . . NONE				
c Excess from 2013 . . . NONE				
d Excess from 2014 . . . NONE				
e Excess from 2015 . . . NONE				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, 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)

	Tax year	Prior 3 years			
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	(e) Total
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					

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 address of the person to whom applications should be addressed.

SEE STATEMENT 6

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines.

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information *(continued)*

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED SCHEDULE	NONE	PC	GENERAL	2,166,500.
Total . . . . . . ▶ **3a**				2,166,500.
b *Approved for future payment*				
Total . . . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	792,919.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,905,204.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b OTHER INCOME			14	171.	
c DEFERRED INCOME			14	-1,211.	
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				2,697,083.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 2,697,083.

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

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

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.)
	NOT APPLICABLE

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of.			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

Kristen Baxter | 11/12/2016 | ▶

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CHRISTOPHER CHIZMAR	Christopher S Chizmar	11/12/2016		P01220103
Firm's name ▶ DELOITTE TAX LLP			Firm's EIN ▶ 86-1065772	
Firm's address ▶ 127 PUBLIC SQUARE CLEVELAND, OH 44114			Phone no. 216-589-5461	

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
OTHER INCOME		171.	171.
DEFERRED INCOME		-1,211.	
PARTNERSHIP INCOME			344,579.
	TOTALS	-1,040.	344,750.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE (NON-ALLOC	600.	300.		300.
TOTALS	600.	300.	NONE	300.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	162.	162.
FEDERAL TAX PAYMENT - PRIOR YE	31,000.	
FEDERAL ESTIMATES - INCOME	36,000.	
FOREIGN TAXES ON QUALIFIED FOR	12,781.	12,781.
FOREIGN TAXES ON NONQUALIFIED	3,196.	3,196.
TOTALS	83,139.	16,139.

ELIZABETH MORSE CHARITABLE TRUST P80971008 36-6999365

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
IL AG FEE	15.	15.
PHONE	5,632.	5,632.
PRINTING	138.	138.
EMPLOYEE EXPENSE REIMBURSEMENT	443.	443.
ADAGE TECHNOLOGIES DESIGN INC.	400.	400.
WORKERS COMPENSATION	440.	440.
PREMISES INSURANCE	1,844.	1,844.
CHARITABLE DUES	150.	150.
IT CONSULTANT	2,745.	2,745.
2015 FOREFRONT MEMBERSHIP DUES	4,913.	4,913.
2016 FOREFRONT MEMBERSHIP DUES	4,913.	4,913.
TOTALS	21,633.	21,633.

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
COST BASIS ADJUSTMENT		1,313,132.
PAYROLL TIMING ADJUSTMENT		6,625.
	TOTAL	1,319,757.

FORM 990PF, PART XV - LINES 2a - 2d
===================================

RECIPIENT NAME:
JAMES L. ALEXANDER, CO-TRUSTEE
ADDRESS:
208 S. LASALLE STREET, SUITE 1660
CHICAGO, IL 60604-1226
RECIPIENT'S PHONE NUMBER: 312-739-0326
FORM, INFORMATION AND MATERIALS:
SEE ATTACHED GUIDELINES
SUBMISSION DEADLINES:
NONE
RESTRICTIONS OR LIMITATIONS ON AWARDS:
SEE ATTACHED GUIDELINES

Part IX-A:

1. The Chicago High School for the Arts: Beginning in 2004, the Co-trustees periodically convened a group—called the Diversity Working Group ("DWG")—of representatives from Chicago's foundation community, educational institutions, and performing arts organizations offering outreach to the area's underserved communities; the long range purpose of the DWG was to develop mechanisms to promote greater diversity at Chicago's performing arts organizations; in 2006 the DWG evolved into a larger project to create Chicago's first public high school for the arts, now known as The Chicago High School for the Arts ("ChiArts"), which is an Illinois not for profit corporation; in 2007 the Chicago Public School Board awarded a contract to ChiArts to operate a public high school for the arts, and in 2008 ChiArts received a determination from the Internal Revenue service that it is a public charity exempt from federal income tax. ChiArts has now graduated three classes of seniors, over 90% of whom gained admission to a college, university, or arts conservatory. ChiArts students come from almost every Ward in the city and reflect the racial and ethnic diversity of Chicago. The individual Co-trustee has committed time, energy, and talent to the project from its initiation to 30 June 2015, when he rotated off the corporation's Board of Directors and various board committees.

2. The LGBT Community Fund ("The Fund") at The Chicago Community Trust: The individual Co-trustee has played an important role in the formation of an identity-focused donor advised fund at The Chicago Community Trust ("CCT") that will provide support for the Lesbian, Gay, Bi-Sexual, and Transgender Community of Chicago, as well as those organizations that provide assistance to that community. CCT has pledged $500,000.00 as a matching challenge to help establish the endowment for this fund. From 2010 until 2013, the individual Co-trustee served as Co-chair of the Steering Committee of The Fund. The individual Co-trustee continues as a member of the Steering Committee, working with other Committee members to raise the $1,000,000.00 to meet CCT's matching challenge. The Fund was the first LGBT identity-focused fund in the country to be established at a major community foundation. During the past year, the individual Co-trustee has assisted in recruiting members for the Steering Committee and obtaining matching challenge grants in an amount over $1,000,000.00. The Fund has recruited a grant making consultant who has guided the Committee in making its first set of grant awards totaling $280,000.00, which went to a diverse set of non-profit organizations delivering services to Chicago's LGBT Community. Due to his background and experience as a grant maker, the individual Co-trustee counseled The Fund's Steering Committee in making this first set of grants.

3. Music and Dance Theater Chicago, Inc.: Beginning on 1 July 2013, the individual Co-trustee began service as Chair of the Board of Trustees for the Joan B. and Irving J. Harris Theater for Music and Dance at Millennium Park, also known as Music and Dance Theater Chicago, Inc. ("The Harris Theater"), a 501(c)(3) public charity. The tripartite mission of The Harris Theater is to: provide a centrally-located, competitively-priced venue for Chicago's mid-sized and emerging non-profit performing arts companies; present world-class artists and performing arts companies; and provide community engagement programs that leverage the first two tenets of the mission, focusing on families and children, particularly from under-resourced and diverse communities. As Chair, the individual Co-trustee collaborated with management

and led the Board of Trustees in carrying out the foregoing mission. In particular, the Chair supported the Co-chairs of a $38 million comprehensive fundraising campaign in conjunction with The Harris Theater's tenth anniversary season. Additionally, the Chair labored with the governance committee in identifying and recruiting new board members who will be able to lead the theater in its second decade. The individual Co-trustee's term as Chair ended 30 June 2015.

4. Chicago History Museum: On 1 January 2013 the individual Co-trustee was elected First Vice Chair of the Board of Trustees of the Chicago History Museum ("CHM"), also known as the Chicago Historical Society, the city's oldest non-profit cultural institution. After serving in that role for two years, and commencing on 1 January 2015, the individual Co-trustee began a two year term as Chair of the Board of Trustees. CHM has undertaken a comprehensive fundraising campaign in 2015 through 2016, seeking to raise $50 million. Previously, the individual Co-trustee worked in 2014 with the President of CHM and fundraising counsel in laying the foundation for that campaign, including the retention of fundraising counsel, development of campaign plan and brand, and identifying and recruiting volunteer campaign leadership. In 2015 the individual Co-trustee and the President of CHM had successfully recruited campaign leadership and implemented all initial stages of the campaign, including creating a campaign steering committee, identifying volunteer leaders for board and planned giving, and crafting and designing campaign materials. By the end of 2015, CHM had raised $18 million towards its goal, with all members of the Board pledging to make a gift to the campaign. As part of his duties as Chair, the individual Co-trustee attends all board committee meetings and hosted a first-time social event for the board, at which the Chicago Children's Choir performed and the board acknowledged the ten year anniversary of the President.

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GENERAL GUIDELINES AND PROCEDURES FOR INQUIRING ABOUT A GRANT FROM THE ELIZABETH MORSE CHARITABLE TRUST
(Effective November 2014)

1. About: The Elizabeth Morse Charitable Trust ("The Trust") is a private foundation practicing values-based grant making. The Trust awards grants to qualifying 501(c)(3) public charities that persuasively demonstrate a strong connection between their missions, programs, and/or projects and one or more of the tenets of The Trust's Values Statement. Because of this approach, a wide spectrum of funding opportunities falls into the scope of The Trust's grant making.

   Please note, before beginning the Letter of Inquiry process, that The Trust's review of a Full Proposal, should an applicant be requested to submit one, is robust, rigorous, and comprehensive and can last anywhere from six to nine months or longer; please see Section 6, Timeline, for more information. The Trust meets with all Full Proposal applicants and conducts a site visit in most cases.

2. Brief History of The Trust: In 1992 Richard M. Genius, Jr., established The Trust for the primary purpose of honoring his mother, Elizabeth Morse Genius, by making gifts in her name to charity in perpetuity. The donor enjoyed an especially close and significant relationship with his mother, who was the daughter of Charles Hosmer Morse, 19th Century Chicago financier, industrialist, and land developer. Though Elizabeth Morse Genius died while the donor was a young man, her spirit and memory guided him throughout life, laying the foundation for the donor's personal commitment to high principle and integrity.

3. Values Statement: The Elizabeth Morse Charitable Trust supports qualifying charitable organizations that:

   - **Tenet 1—Promote "THISS:"** promoting, instilling, and/or reflecting the values of individual and/or organizational thrift, humility, industry, self-sacrifice, and/or self-sufficiency.

   - **Tenet 2—Relieve Human Suffering:** relieving human suffering by: (1) performing research and/or promoting education regarding the treatment of disease; (2) assisting youth who are from disadvantaged backgrounds, have troubled childhoods, have physical or mental disabilities, or experience emotional disorders; (3) addressing the concerns of the elderly; and/or (4) providing succor to humankind during time of natural or human-made disasters.

   - **Tenet 3—Develop Individual Self-Esteem and Dignity:** developing within individuals, especially youth from underserved and/or under-resourced communities, a sense of self-esteem and dignity.

- **Tenet 4—Encourage Vigorous Athletic Activity:** encouraging vigorous athletic activity, leading to physical health and/or spiritual well-being.

- **Tenet 5—Develop Regional Solutions to Chicago's Regional Challenges:** developing regional solutions to Chicago's regional challenges, thereby protecting and/or improving the quality of life of all its citizens.

4. <u>Funding Parameters</u>:

- Funding is limited to Internal Revenue Code Section 501(c)(3) organizations; the organization must be one described in Sections 170(c)(2), 509(a), 2055(a), and 2522(a) of the Code.

- Funding is limited to such organizations serving residents of Chicago and Cook County, Illinois.

- The Trust does not fund individuals, endowments, capital campaigns, religious or sectarian organizations, political activity, or private foundations as defined under Section 509(a) of the Code.

- The Trust does not purchase tickets or tables for fund raising events, regardless of whether it has made past grants to the organization.

5. <u>Procedures for Inquiring About a Grant</u>: Applying to The Trust for a Grant is a two-step process first requiring submission of a Letter of Inquiry in accordance with the Guidelines below. Based upon its review of the Letter of Inquiry, The Trust will send to the applicant either a Decline Letter or a Request for Full Proposal.

The purpose of the Letter of Inquiry is to provide The Trust with a brief and broad overview of the applicant, the project or program for which it seeks support, and the connection between the organization and The Trust's Values Statement. If requested to submit a Full Proposal, the applicant will have an opportunity to submit more detail about the specific program or project.

A. A Letter of Inquiry **must**:

- Be no more than three pages; [**Helpful Hint:** The Trust strictly enforces this rule; do not send any additional materials with your letter, including cover letters or attachments, which will be counted towards the three page maximum; letters exceeding the maximum will be returned.]

- Be double-spaced and written in Times New Roman 12 point font with standard, one-inch margins; and

- Contain the following: [**Helpful Hint:** Your letter should cover each of the following topics. You may cover them in any order you wish, but most successful applicants discuss them in the order provided; successful applicants often begin the discussion of each topic by referencing the name of the specific topic being discussed.]

i. A brief description of the applicant, its mission, and history; [**Helpful Hint:** "brief" is the operative word here; limit the description to no more than four paragraphs.]

ii. The amount of the grant being requested; [**Helpful Hint:** If you are requesting a multi-year grant, please list the annual installment amount and the time period for payment.]

iii. A description of how the applicant will expend the grant, if awarded; and [**Helpful Hint:** this topic, and the one following, is the most important in the letter and deserve special attention. Indicate whether the grant is for program or general operating support. If the former, describe the specific program or project to which the grant will be applied. If the latter, provide a general description of your organization's programs; most successful applicants propose applying the grant to one specific program, even if the request is for general operating support.]

iv. A discussion of how the expenditure of the grant, if awarded, will allow the applicant to connect with one or more of the values of The Trust. [**Helpful Hint:** See The Trust's Values Statement. Be thoughtful, creative, and substantive in your discussion; do not simply quote the tenet or tenets of the Values Statement. If your request is for program support, explain how the program connects to one or more of the tenets in the Values Statement. If your request is for general operating support, explain how your organization connects to one or more of the tenets in the Values Statement. Successful applicants typically connect to more than one tenet of the Values Statement.]

B. General Procedures for Submitting a Letter of Inquiry:

- Applicants may submit their Letter of Inquiry by mail or personal delivery to:

  Breanna D. Stumpf
  Program Associate
  The Elizabeth Morse Charitable Trust
  208 South LaSalle Street
  Suite 1660
  Chicago, Illinois 60604-1226

- The Trust generally reviews Letters of Inquiry in the month following the month in which the letter is received, though the timing of review may take longer, depending on work volume and pending commitments.

- The Trust will advise the applicant of its decision by sending via U.S. mail either a Decline Letter or Request for Full Proposal.

- In the event that The Trust invites a Full Proposal, The Trust will at that time advise the applicant of additional procedures, including how to prepare and submit a Full Proposal and a Grant Application Cover Sheet.

- If an applicant has received funding from The Trust in the past, it still must submit a Letter of Inquiry in accordance with the Guidelines. Moreover, prior to submitting a Letter of Inquiry, the applicant must be in compliance with all the terms of its Grant Agreement, including any reporting requirements.

- The Trust, as a rule, does not accept Letters of Inquiry from applicants who have previously applied for a grant from its sister trust, the Elizabeth Morse Genius Charitable Trust, which Bank of America, N.A. administers.

6. Timeline: The Trust's review of a Full Proposal, should an applicant be requested to submit one, can last anywhere from six to nine months; in certain circumstances, the process may take up to a year or longer:

   A. Letters of Inquiry are reviewed on an ongoing basis the month after they are received.

   B. The Trust performs an initial review of a Full Proposal during the first month immediately following the month in which The Trust receives the Proposal. The Trust meets with all Full Proposal applicants and conducts a site visit in most cases. Regardless of grant size, The Trust may find it necessary to request that the organization submit revised application materials.

   C. The Co-trustees meet during the first month of each calendar year quarter to review the status of all pending Proposals and to take final action on those Proposals for which The Trust has successfully completed its review, including performing a site visit, and obtaining additional information and follow up materials.

7. Communication with The Trust:

- Applicants must mail or personally deliver all Letters of Inquiry to The Elizabeth Morse Charitable Trust. The Trust does not accept Letters of Inquiry by facsimile transmission or e-mail.

- Please do not include The Trust or its staff on any list for mass mailings (such as newsletters or annual reports), mass emails, or email blasts. Failure to adhere to this requirement may result in the automatic **decline** of the applicant's Letter of Inquiry.

- Meetings between applicants and The Trust take place only at the request of, and instigation by, The Trust and only after issuance of a Request for Proposal and complete submission by the applicant of the Full Proposal and all required supporting documents.

- The Trust's website address is www.morsetrust.org.

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Part XV-Line 2a-2d

SPECIFIC GUIDELINES AND PROCEDURES
FOR SUBMITTING A FULL PROPOSAL TO THE ELIZABETH MORSE
CHARITABLE TRUST
(Effective 17 November 2014)

1. Brief History of The Trust: In 1992 Richard M. Genius, Jr., established The Elizabeth Morse Charitable Trust ("The Trust") for the primary purpose of honoring his mother, Elizabeth Morse Genius, by making gifts in her name to charity in perpetuity. The donor enjoyed an especially close and significant relationship with his mother, who was the daughter of Charles Hosmer Morse, 19th Century Chicago financier, industrialist, and land developer. Though Elizabeth Morse Genius died while the donor was a young man, her spirit and memory guided him throughout life, laying the foundation for the donor's personal commitment to high principle and integrity.

2. Values Statement: The Elizabeth Morse Charitable Trust supports qualifying charitable organizations that persuasively demonstrate a strong connection between their missions, programs, and/or projects and one or more of the following values:

   - Promoting "THISS": promoting, instilling, and/or reflecting the values of individual and/or organizational thrift, humility, industry, self-sacrifice, and/or self-sufficiency;

   - Relieving Human Suffering: relieving human suffering by: (1) performing research and/or promoting education regarding the treatment of disease; (2) assisting youth who are from disadvantaged backgrounds, have troubled childhoods, have physical or mental disabilities, or experience emotional disorders; (3) addressing the concerns of the elderly; and/or (4) providing succor to human kind during time of natural or human-made disasters;

   - Developing Individual Self-Esteem and Dignity: developing within individuals, especially youth from underserved and/or under-resourced communities, a sense of self-esteem and dignity;

   - Encouraging Vigorous Athletic Activity: encouraging vigorous athletic activity, leading to physical health and/or spiritual well-being; and

   - Developing Regional Solutions to Chicago's Regional Challenges: developing regional solutions to Chicago's regional challenges, thereby protecting and/or improving the quality of life for all its citizens.

3. Funding Parameters:

Prior to submitting a Letter of Inquiry, an organization should review the funding parameters of The Trust to ascertain whether it is a qualifying applicant.

The Trust adheres to the following funding parameters:

- The Trust only makes grants to Internal Revenue Code ("The Code") Section 501(c)(3) organizations that are described in Sections 170(c)(2), 509(a), 2055(a), and 2522(a);

- The Trust only makes grants to such foregoing organizations that primarily serve the residents of Chicago and Cook County, Illinois;

- The Trust does not fund individuals, endowments, capital campaigns, political activity, or private foundations as defined under Section 509(a) of The Code; while The Trust will support religious or sectarian organizations, The Trust will not fund programs of those organizations that proselytize or are sectarian in purpose or practice;

- The Trust does not make grants to purchase tickets or tables at fundraising events, regardless of whether it has made past grants to the organization.

If an organization has questions regarding these funding parameters, it should contact The Trust. See Communication with The Trust, Section 6, below.

4. Procedures for Submitting a Full Proposal:

A. The Elizabeth Morse Charitable Trust accepts Full Proposals for a Grant ("Full Proposal") only after The Trust has invited a Full Proposal from an applicant by issuing a written Request for Proposal ("RFP"). The Trust invites Full Proposals only after review and approval of a Letter of Inquiry previously submitted by an applicant (see "General Guidelines for Submitting a Letter of Inquiry," which can be obtained from Trust staff or found at "Application Procedures" at www.morsetrust.org.).

B. Please note: The Elizabeth Morse Charitable Trust, as a rule, does not invite Full Proposals from an applicant who has previously applied for a grant from its sister Trust, the Elizabeth Morse Genius Charitable Trust, which Bank of America, N.A. administers (see "Sister Trust" at www.morsetrust.org.).

C. An applicant is required to submit **in duplicate** the following information and supporting materials as part of their Full Proposal:

► A completed Application Cover Sheet, a copy of which is attached to these Guidelines, or which can be downloaded from www.morsetrust.org.

- A Proposal limited to five pages, single-spaced, written in 12-point or greater Times New Roman font with standard, one-inch margins. Proposals exceeding the foregoing maximum requirements will not be considered. [**Helpful Hint**: The Trust strictly enforces this rule; The Trust will return and/or decline proposals that violate these parameters.] A Proposal must cover **each** of the following topics: [**Helpful Hint**: The Trust favors proposals that successfully show a connection among the problem or project that the organization is working on, how the organization is working to solve that problem or advance that project, and how the solution or project advances one or more of the values in The Trust's Values Statement.]

  - ☐ A brief history of the applicant; [**Helpful Hint**: the operative word here is "brief." Successful applicants limit their discussion of history to one or possibly two paragraphs.]

  - ☐ The problem being addressed; [**Helpful Hint:** again, brevity is a virtue. If the proposal begins to discuss the program or project addressing the problem, it has gone too far and will duplicate information requested in the next section.]

  - ☐ A description of the program/project addressing the problem, which must include the following: [**Helpful Hint:** successful applicants describe how the program or project will operate, relating or tying it back to the problem being addressed. Proposals should include in their narrative each of the topics listed below. Successful applicants often include in their proposal narrative the topic headings below, both as a way to assure that they cover all points and to guide Trust staff in their review. Trust staff acknowledge that the list is long, but see the following **Helpful Hints** for topics that might deserve more attention than others.]

    i. The number of individuals served, how they will be identified, and how they will be enlisted;
    ii. Timeline(s);
    iii. Expected measurable outcomes or goals; [**Helpful Hint:** successful applicants keep their goals simple and straightforward. If a goal includes a comparative, such as an increase in activity or performance, the proposal should indicate the anticipated amount of the increase and the benchmarks against which such increase shall be measured.] and
    iv. Evaluation methodology. [**Helpful Hint:** effective proposals do not discuss broadly organizational evaluation but rather

focus on the specific tools or procedures to be used to measure achievement of the goals identified in iii, above.]

- Qualifications of the organization and specific individuals to address the problem;

- A thorough and thoughtful discussion of how the program/project furthers the values of The Elizabeth Morse Charitable Trust, identifying under which specific part or parts of The Trust's Values Statement it falls; [**Helpful Hint:** Trust staff focus on this particular section, which should contain a thoughtful, substantive, and thorough discussion of the connection between the values of the applicant and The Trust. This section offers the organization an opportunity to connect the problem statement and how it plans to address the problem to the Values Statement of The Trust. Successful applicants persuasively demonstrate a connection to more than just one of the values in The Trust's Values Statement. For examples of organizations that have successfully made such connection, an applicant can review The Trust's Vicennial Report, which can be obtained from The Trust or viewed at www.morsetrust.org.]

- How the program/project addresses the changing needs of today's society; [**Helpful Hint:** this section provides an opportunity to discuss the program/project in broader terms, connecting to deeper social trends. Successful applicants do not repeat the problem statement or their discussion of how they are addressing the problem.]

- Amount of grant requested; if seeking an increase from a prior year's grant, the Applicant must include an explanation for why the increased request is necessary and how the organization will use the additional funds; [**Helpful Hint:** merely stating "to enhance or expand our current programs" is not an acceptable answer, unless the organization—with specificity—explains how the amount of the increase can lead to enhancement and expansion.]

- How the applicant determined that the size of the grant request was an appropriate amount to seek from The Trust; [**Helpful Hint:** this item provides the applicant with an opportunity to share its strategy with The Trust on how it arrived at the amount of the ask. If the amount of the request is less than the amount sought in a Letter of Inquiry, an applicant is discouraged from answering that The Trust directed it to ask for this amount; rather, the organization should explain how it determined to ask for the original sum in the Letter of Inquiry. Successful grant seekers include an analysis that touches upon The Trust's average grant size, others being solicited, the amounts of those solicitations, and the overall fundraising strategy.]

- ☐ Where additional funds, if any, will come from and what contingencies exist if such funds are not raised;

- ☐ Where funds will come from to support the program in future years; **[Helpful Hint:** successful grant applicants provide The Trust with some sense of their multi-year fundraising strategy, which should be more than a generic expression of the organization's intent to identify new sources of contributed revenue. The Trust is not opposed to being considered as a multi-year supporter; The Trust is not favorably inclined, however, to being considered as a permanent income line item in any agency's budget.]

- ☐ If the Applicant experienced a decrease in net assets or incurred an operating deficit for the last fiscal year, the Proposal must explain why and indicate whether a decrease in net assets or an operating deficit in the current fiscal year is anticipated; and

- ☐ If the Applicant is carrying a cumulative deficit, the Proposal must explain why and describe the plan to eliminate this deficit.

Please Note: The purpose of the Full Proposal is to provide the applicant with an opportunity to discuss **in detail** the program outlined in the Letter of Inquiry and for which the Request for Proposal was issued. The Full Proposal is **not** an opportunity to "copy and paste" the Letter of Inquiry and re-present it as a Full Proposal.

► The following **in duplicate** must accompany each Proposal:

- ☐ An agency operating budget for the current year, showing anticipated expenses and sources and amount of income: if the project is to take place in a different year or over a period of years, the applicant should also include its agency operating budget or multi-year budget for that different year or that period of years;

- ☐ If appropriate, a project budget showing anticipated expenses and sources and amount of income, as well as an explanation of how budget figures were determined: if the project is to take place in a different year or over a period of years, the applicant should submit a budget for that different year or that period of years; this budget should list monies actually raised for the project, as well as identify other specific anticipated revenue sources and their status; the applicant should explain what will happen if the organization fails to raise all funds needed and identify funding sources for support of the program in future years; where the budget contains line items representing broad categories, e.g. salaries, marketing, or miscellaneous, the applicant should attach a budget narrative, providing a breakdown of the individual items comprising the total of the line items;

- □ A copy of the applicant's audited financial statements for the most recently completed fiscal year;

- □ A complete copy of the applicant's most recent I.R.S. Form 990; **[Helpful Hint:** the operative word here is "complete," including all schedules. If an organization does not wish to submit a Schedule B List of Contributors, The Trust recommends that the grant seeker cease working on its application and contact The Trust [see Communication with The Trust in Section 6, below]. In the event that an applicant elects to submit its proposal without a complete Form 990, The Trust either may decline the proposal or withdraw its Request for Proposal.]

- □ A list of contributors, including individuals, corporations, government, and foundations, over $1,000.00 and the amount each contributed to the applicant in the last and current fiscal year;

- □ A current I.R.S. letter confirming that the applicant qualifies as tax exempt under Section 501(c)(3) of The Code and is an organization described in Sections 170(c)(2), 509(a), 2055(a), and 2532(a) of the Code; and

- □ A list of the applicant's governing board members and their professional affiliations.

► The Elizabeth Morse Charitable Trust will accept, but does not require, the Chicago Area Grant Application Form. If an applicant elects to use this Form, it nonetheless is required to submit the attachments set forth above. Attachments required by the Chicago Area Grant application Form in addition to those above may be submitted at the option of the applicant.

► Please **do not submit** the following:

- □ Annual Reports;
- □ Newsletters;
- □ Magazines;
- □ Programs;
- □ Videos;

- CDs; or
- Binders and Folders.

5. Grant Submission Procedures and Time Line:

- Please note that The Trust performs an initial review of a Full Proposal during the first month immediately following the month in which The Trust receives the Proposal, e.g., if The Trust receives a Proposal in January, then it will perform an initial review in February. The initial review may result in a request by The Trust, either during the month of initial review or in a month subsequent, for a site visit and/or production of additional information and follow up materials. The Co-trustees meet during the first month of each calendar quarter to review the status of all pending Proposals and to take final action on those Proposals for which The Trust has successfully completed its review, including performing a site visit, if any, and obtaining additional information and follow up materials. The Trust makes every reasonable effort to adhere to this schedule; the time period from the receipt of a Full Proposal, completion of its review, and action by the Co-trustees can last anywhere from six to nine months.

- An applicant must mail or personally deliver Full Proposals **in duplicate** to The Elizabeth Morse Charitable Trust. The Trust does not accept Proposals by facsimile transmission or e-mail.

6. Communication with The Trust:

- Address the Full Proposal and **duplicate** copy (and any questions) to:

  Breanna D. Stumpf
  Program Assistant
  The Elizabeth Morse Charitable Trust
  208 South LaSalle Street, Suite 1660
  Chicago, IL 60604-1226
  (312) 739-0326

- Please do not include The Trust or its staff on any list for mass mailings (such as newsletters or annual reports), mass emails, or email blasts. Failure to adhere to this requirement may result in the automatic **decline** of the applicant's Proposal. Please be aware that The Trust **strictly** enforces this rule.

- Meetings between the applicant and The Trust take place only at the request of, and instigation by, The Trust and only after complete submission by the applicant of the Full Proposal and all required supporting documents.

- The Trust's website address is www.morsetrust.org