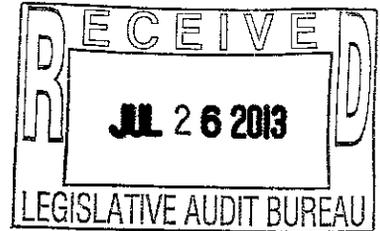


MEMO



To: Sen. Cowles, Rep. Kerkman
From: Reed E. Hall, Secretary/CEO *Reed*
CC: WEDC Board of Directors, Joint Legislative Audit Committee Members,
Date: July 25, 2013

Re: WEDC creation of a nonprofit entity



Sen. Cowles and Rep. Kerkman:

As requested during the May 9, 2013 Joint Legislative Audit Committee hearing on the Legislative Audit Bureau's Report 13-7, I am pleased to provide you with information concerning WEDC's development of a nonprofit entity. Please note that the interim name for the proposed nonprofit foundation is "Showcase Wisconsin," although this name will be modified as we go forward.

The enclosed information was approved by the WEDC Board of Director's at our Annual Meeting on July 23, 2013, where the Board unanimously approved the "Resolution on Creating a Nonprofit Organization." Among the materials included are:

1. Copy of the Resolution on Creating a Nonprofit Organization
2. Timeline for Incorporation and IRS Form 1023 Application
3. Draft Articles of Incorporation and Bylaws
4. An application to the IRS for registering as a nonprofit entity
5. Exhibits to accompany the application

The nonprofit will be managed by a Board of Directors, comprised of 5 individuals, 3 of whom must be employees or directors of WEDC and will comply with open meetings and public records laws. In addition, the nonprofit will be governed by a conflicts of interest policy that precludes a company from receiving a financial award from WEDC for two years after contributing to it. Furthermore, a company is precluded from contributing to the nonprofit for two years *after* receiving a financial award from WEDC. No contributions to the nonprofit will be accepted until the IRS approves the application.

We look forward to also presenting this information to the Joint Committee on Finance as the next steps in the process of developing a nonprofit organization that will assist WEDC in fulfilling its mission as the lead economic development organization in Wisconsin.

Please feel free to contact me if you have any questions regarding WEDC's efforts to create a nonprofit foundation.