

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

Read the instructions for each Part carefully.
A User Fee must be attached to this application.
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.
Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) African Development Center		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions.) 20 0553370
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed (612) 333-4772 Hussein Samatar
1c Address (number and street) 1808 Riverside Avenue	Room/Suite 206	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. Minneapolis, MN 55454		4 Month the annual accounting period ends December
1e Web site address www.adcmiinesota.org		5 Date incorporated or formed October 17, 2002
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation.		6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)
8 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions).		<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here **HUSSEIN SAMATAR** Hussein Samatar, Executive Director 01/29/04
 (Signature) (Type or print name and title of signer) (Date)

Part II Activities and Operational Information

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

African Development Center (ADC) provides services to individuals who reside in the Phillips, Powderhorn and Central neighborhoods of Minneapolis and the Frogtown and Dayton's Bluffs neighborhoods of St. Paul. These areas face the highest levels of poverty, crime and unemployment in the Twin Cities. Many of these residents earn no more than 30% of the median income as defined by the federal government. It is ADC's mission to sustain successful businesses, build assets and promote community reinvestment in the African communities in Minnesota. Many Africans reside in these neighborhoods.

Economic Development (40%): ADC will provide technical assistance in the area of business planning to new and existing African business owners who face problems that limit their success and threaten their long-term viability. Many of the challenges with which African business owners are confronted can be surmounted with appropriate education and assistance. Specific counseling in the areas of finance (capital requirements, cash management including forecasting), products or services (pricing, packaging, inventory management), marketing (developing new and expanding existing sales), and systems (administrative, distribution, technology) will be delivered by ADC staff. In addition, ADC will provide access to loan capital through its relationships with the Neighborhood Development Center, Minneapolis Consortium of Community Developers, of which it is a member, and local banks.

Housing (40%): ADC will promote sustainable home ownership for low and moderate income African people in Minnesota through the development and delivery of quality education, counseling and related support services. ADC works with its constituency to help them understand the home buying process, overcoming barriers to home ownership, shopping for a home, financing a home and becoming a successful home owner.

One of the programs that ADC participates in is the Home Stretch Program. Home Stretch is a minimum of 8 hours of instruction that provides comprehensive, non-biased information about the home buying process and prepares ADC's clients for homeownership. In a workshop environment and in one on one counseling, ADC staff and consultants will assist their clients with each step, including: creating an affordable budget, the loan application process, understanding the closing process, and maintaining the new home. Home Stretch is an approved homebuyer education program. Some mortgage lenders require borrowers to complete an approved homebuyer education course in order to qualify for affordable mortgage loans.

Financial literacy (20%): ADC will provide materials and programs to assist new and existing African immigrants with understanding American financial systems and services. Programs might include classes that teach checking and savings account management, budgeting, credit card management, mortgage and other personal loan options, as well as exposure to other financial services including insurance and investments. Materials and programs will be provided in an appropriate language.

- 2 What are or will be the organization's sources of financial support? List in order of size.

ADC's financial support will come from public, private and corporate foundations, city, state and federal government agencies (grants anticipated), individuals, and business associations.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

ADC staff and volunteers are conducting all fundraising efforts. Grant applications prepared by the staff are being submitted to public, private and corporate foundations as well as government agencies. \$10,000 was raised in 2003 through these efforts.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Shegitu Kebede, President, 2604 W. Armour Terr, Minneapolis MN 55418	0
Tim Mungavan, Vice President, 1808 Riverside Avenue, Ste 206, Minneapolis, MN 55454	0
Jo Ann Vano, Secretary, 2513 Pahl Avenue, St. Anthony, MN 55418	0
Verge Granger, Treasurer, 2634 Portland Avenue South, Minneapolis, MN 55407	0

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
 If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.) Yes No
 If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
 Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
 If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
 If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? Yes No
 If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."
N/A

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No

If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No

If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? Yes No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

- 7 Is the organization a private foundation?
 Yes (Answer question 8.)
 No (Answer question 9 and proceed as instructed.)

- 8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?
 Yes (Complete Schedule E.)
 No

After answering question 8 on this line, go to line 14 on page 7.

- 9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|--|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question 14. If you checked box g in question 9, go to questions 11 and 12. If you checked box h, i, or j, in question 9, go to question 10.

Part III Technical Requirements (Continued)

- 10 If you checked box h, i, or j in question 9, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling. (Answer questions 11 through 14.)
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.

- 11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.
 N/A

- 12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:

- a Enter 2% of line 8, column (e), Total, of Part IV-A
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

- 13 If you are requesting a definitive ruling under section 509(a)(2), check here and:

- a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		✓	A
Is the organization, or any part of it, a school?		✓	B
Is the organization, or any part of it, a hospital or medical research organization?		✓	C
Is the organization a section 509(a)(3) supporting organization?		✓	D
Is the organization a private operating foundation?		✓	E
Is the organization, or any part of it, a home for the aged or handicapped?		✓	F
Is the organization, or any part of it, a child care organization?		✓	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		✓	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		✓	I

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From to 2003	(b) ..2004..	(c) ...2005...	(d)	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions)	\$10,000	\$150,000	\$175,000		\$335,000
2 Membership fees received	0	0	0		0
3 Gross investment income (see instructions for definition)	0	0	0		0
4 Net income from organization's unrelated business activities not included on line 3	0	0	0		0
5 Tax revenues levied for and either paid to or spent on behalf of the organization	0	0	0		0
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0	0		0
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0	0		0
8 Total (add lines 1 through 7)	\$10,000	\$150,000	\$175,000		\$335,000
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22	0	0	0		0
10 Total (add lines 8 and 9)	0	0	0		0
11 Gain or loss from sale of capital assets (attach schedule)	0	0	0		0
12 Unusual grants	0	0	0		0
13 Total revenue (add lines 10 through 12)	\$10,000	\$150,000	\$175,000		\$335,000
Expenses					
14 Fundraising expenses	0	\$5,000	\$6,000		
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0		
16 Disbursements to or for benefit of members (attach schedule)	0	0	0		
17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0		
18 Other salaries and wages	\$9,500	\$100,000	\$105,000		
19 Interest	0	0	0		
20 Occupancy (rent, utilities, etc.)	0	\$13,000	\$13,500		
21 Depreciation and depletion	0	0	0		
22 Other (attach schedule)	\$500	\$3,500	\$3,500		
23 Total expenses (add lines 14 through 22)	\$10,000	\$121,500	\$128,000		
24 Excess of revenue over expenses (line 13 minus line 23)	0	\$28,500	\$47,000		

AFRICAN DEVELOPMENT CENTER
1808 Riverside Road, Suite 206
Minneapolis, MN 55454
EIN: 20-0553370

ATTACHMENT TO FORM 1023

Attachment A
Statement of Revenue and Expenses
Response to Part IV, Line 22

There is a fiscal agent agreement with Neighborhood Development Center, a Minnesota non-profit 501c3 corporation, in which they will provide accounting services to African Development Center.

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)

Current tax year
Date 12/31/03

Assets		
1	Cash	\$500
2	Accounts receivable, net	0
3	Inventories	0
4	Bonds and notes receivable (attach schedule)	0
5	Corporate stocks (attach schedule)	0
6	Mortgage loans (attach schedule)	0
7	Other investments (attach schedule)	0
8	Depreciable and depletable assets (attach schedule)	0
9	Land	0
10	Other assets (attach schedule)	0
11	Total assets (add lines 1 through 10)	\$500
Liabilities		
12	Accounts payable	0
13	Contributions, gifts, grants, etc., payable	0
14	Mortgages and notes payable (attach schedule)	0
15	Other liabilities (attach schedule)	0
16	Total liabilities (add lines 12 through 15)	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	\$500
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	\$500

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Form **872-C**

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

OMB No. 1545-0056

(Rev. September 1998)

To be used with Form 1023. Submit in duplicate.

Department of the Treasury
Internal Revenue Service

(See instructions on reverse side.)

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

African Development Center

(Exact legal name of organization as shown in organizing document)

1808 Riverside Avenue, Suite 206, Minneapolis, MN 55454

(Number, street, city or town, state, and ZIP code)

and the District Director of Internal Revenue, or Assistant Commissioner (Employee Plans and Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year **December, 31, 2003**
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
African Development Center	01/29/04
Officer or trustee having authority to sign	Type or print name and title
Signature ▶ HUSSEIN SAMATAR	Hussein Samatar, Exec Dir
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ▶

Form **872-C**

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

OMB No. 1545-0058

(Rev. September 1998)

Department of the Treasury
Internal Revenue Service

(See instructions on reverse side.)

To be used with
Form 1023. Submit
in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

African Development Center

(Exact legal name of organization as shown in organizing document)

1808 Riverside Avenue, Suite 206, Minneapolis, MN 55454

(Number, street, city or town, state, and ZIP code)

and the
District Director of
Internal Revenue, or
Assistant
Commissioner
(Employee Plans and
Exempt Organizations)

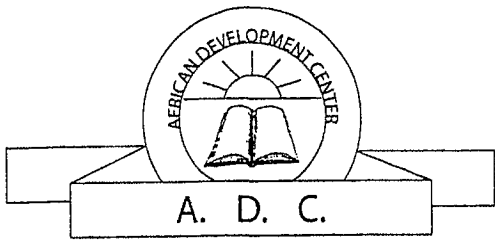
consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

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Officer or trustee having authority to sign	Type or print name and title
Signature ► HUSSEIN SAMATAR	Hussein Samatar, Exec Dir
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ►



African Development Center works within the African communities in Minnesota to start and sustain successful businesses, build assets, and promote community reinvestment.

CERTIFICATION

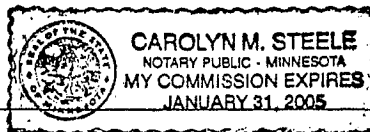
I, JoAnn Vano, Secretary of African Development Center, do hereby certify that the attached copy of the Articles of Incorporation and Amended Bylaws are a complete and correct copy of the present operative governing instruments of African Development Center.

Date: 29 January 2004

JoAnn Vano

This instrument was acknowledged before me
this 29th day of January, 2004

Carolyn M. Steele



Notary Public