

ATTACHMENT TO APPLICATION FOR RECOGNITION OF EXEMPTION

(Under Section 501(c)(3) of the Internal Revenue Code)

NAME: Shiksha Sankalp, Inc.
EIN: 27-2675000

Part I, Line 7:

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Part II, Line 1: A copy of the Articles of Incorporation showing Certification of Filing is attached. There are no amendments to the Articles so far.

Part II, Line 5: A copy of the Bylaws showing the date of incorporation is attached.

Part IV: Shiksha Sankalp Inc. (“organization”) recognizes and appreciates the significant state of illiteracy affecting the poor families population of India. Currently, India has the largest number of illiterate individuals of any country in the world and accounts for one-third of the world’s illiterate population. Although 96% of India’s children are enrolled in primary school, only one out of five children actually completes his or her schooling. As nearly 75% of Indians live on a very meager income, they find it difficult to spend the necessary funds on education for their children. The organization further recognizes that the lack of a quality education and the state of poverty are matters which are endemic in many other developing countries, especially in South Asia and Sub-Saharan Africa. Accordingly, the organization seeks to address the challenge of bringing quality education to children from underprivileged families in India and other developing families. To meet this challenge, the organization will support and promote the following objectives:

1. Create awareness about the urgent need to address lack of quality education for school-age children in developing countries, such as India.
2. Develop new and innovative models for rapid expansion of effective school education for children coming from underprivileged families.
3. Increase awareness among underprivileged families in developing countries about the benefits of acquiring quality school education for their children.
4. Furnish advice and guidance to students from underprivileged families as to their educational options.
5. Facilitate school enrollment of children from underprivileged families in developing countries, monitor their performance, provide remedial support, and

discourage dropping out from school.

6. Provide financial assistance to non profit organizations in developing countries which support the education of deserving students from underprivileged families.
7. Foster performance measurement and accountability criteria in respect to learning outcomes for schools and students in economically depressed areas of developing countries.
8. Facilitate the provision and maintenance of libraries, book-banks, counseling centers, tuition centers and other such educational services in order to strengthen learning outcomes in economically depressed areas within developing countries.

ACTIVITIES: The organization will engage in a number of activities in order to further its purposes as described above. The organization's activities are as follows:

1. The organization will mobilize resources from individuals, corporations, foundations, public charities and the government and direct those resources to address the challenge of bringing quality education, books, supplies and money to children from underprivileged families in India and other developing countries.
2. The organization will partner with other like-minded non profit organizations in India and other developing countries in order to further the stated charitable purposes of this organization. Grants and funds would be made available, to the extent feasible, to other non profit organizations whose mission is consistent with the charitable mission of this organization. Any grants made to other non profit organizations will be subject to the internal Grant Rules of this organization (see attachment), the discretion of the board of directors, and administered through a separate written Grant agreement. This organization will actively monitor the use of its resources which are to be deployed by the grantee non profit organizations. The ultimate purpose of monitoring the use of the grants is to ensure accountability by the grantee organizations in the use of funds for uses which are consistent with the stated mission and goals of this organization.

The above activities of the organization will be conducted in part by the principals of this organization and in part through its associations with select non profit organizations whose purposes are consistent with the purposes of this organization. The activities would be initiated gradually over a three-year period with an initial focus on a few projects to be conducted in India. Thereafter, the organization intends to expand its projects outside of India, said projects being implemented through associations with outside non profit organizations.

In the U.S., the activities of this organization will primarily be conducted in California, Texas, Virginia and Massachusetts. However, its activities may later expand to all of the 50 States. In furtherance of its stated mission, as described above, the organization will conduct its activities through partnerships and associations with other, non profit organizations in India and other developing countries.

Most of the organization's time will be devoted to coordinating and supporting its programs with other, non profit organizations in India and other developing countries primarily through the making of grants and monitoring the use of this grants by recipient organizations. A smaller portion of the organization's time will be devoted to administrative matters and fundraising. The organization intends to raise funds through grants from private individuals, corporations, grant foundations and other sources.

Ultimately, through the organization's support of, and partnership with, outside non profit organizations, it endeavors to make education and learning more accessible to children of underprivileged families within India and other developing countries. The organization will

seek to advance school enrollment, monitor the child's educational performance, provide guidance and counseling, facilitate the development of libraries and the distribution of books - all with the intention of enhancing the quality of these children's education.

Part V, Line 3(a):

Mikul Bhatia: Mr. Bhatia is a director and president of the organization. He has over 7 years of work experience in economic development. Mr. Bhatia obtained his Masters in Public Administration from Harvard University and Masters in Business Administration from the Indian Institute of Management, Ahmedabad. He also holds a bachelors degree in engineering from the Indian Institute of Technology, Delhi. Mr. Bhatia is overseeing and managing the affairs of the organization and serving the duties of president of the organization as reflected in the Bylaws. He devotes about 10 hours per week and is not receiving any compensation for his services.

Sagheer Ahmad: Mr. Ahmad is a director and treasurer of the organization. He has a Master of Science (electrical engineering) degree from the University of Southern California and also a Bachelors of Technology from the Indian Institute of Technology, Delhi. He is managing the financial operational affairs of the organization and serving the duties of treasurer of the organization as reflected in the Bylaws. He devotes 10 hours per week and does not receive compensation for his services.

Baishali Mukherjee: Ms. Mukherjee is a director and secretary of the organization. She has a Masters in Business Administration from the University of Richmond. As Secretary she is responsible for maintaining all records of the organization and serves the duties of secretary as reflected in the Bylaws. She devotes about 10 hours per week to the organization and does not receive compensation for his services.

Deborah Hughes Hallett: Ms. Hallett is serving as a director at large. She obtained her M.A. in Mathematics at Harvard University and obtained her B.A. in Mathematics from the University of Cambridge. She is serving the normal functions of a director of the organization. Ms. Hallett devotes about 5 hours per week to the organization and does not receive compensation for her services.

R. James Breiding: Mr. Breiding is serving as a director at large of the organization. He received his B.A. from the University of Florida and MBA from a university in Germany. Mr. Breiding is an accountant. He serves the normal functions of a director and devotes about 10 hours per week to the organization. He does not receive compensation for his services.

Part V, Line 5(a): Please see attached Conflict of Interest Policy adopted by the Board of Directors of *Shiksha Sankalp*.

Part VI, Line 1(b): The organization envisions providing grant funds to organizations in India and other developing countries whose objectives will be consistent with furthering the purposes of Shiksha Sankalp Inc., as outlined under Part IV above. At this point, the organization plans to implement *The Learning Rewards Program*. The purpose of *The Learning Rewards Program* is to provide grant funds to organizations in developing countries for giving outcome based assistance (OBA) to students from underprivileged families in order to encourage their education and alleviate the negative effects of poverty. It is important to note that Shiksha Sankalp Inc. would NOT provide such assistance directly to individuals.

Grantee organizations would be selected by a committee appointed by the Board of Directors

of Shiksha Sankalp Inc. based upon the criteria outlined in the Grant Rules (the Grant Rules are attached to this application). Grantee organizations will be prohibited from providing benefits of such outcome based assistance (OBA) to individuals from families who are related to members of Shiksha Sankalp Inc. or to members of the grantee organizations.

Among other requirements, the grantee organizations receiving grant funds from Shiksha Sankalp Inc. will be required to:

1. Identify underprivileged communities in developing countries with low income levels and poor educational achievement;
2. Conduct surveys to examine the extent of availability of educational resources and infrastructure;
3. Demonstrate that specific barriers prevent children from achieving learning outcomes and that such barriers can be addressed through proposed outcome based assistance. Such barriers may include inability of parents to guide the children's learning efforts, absence of adequate learning infrastructure at home, absence of adequate after-school tuition support, inability to access education at better managed schools, and earning opportunities (such as rag-picking) that pull away from education;
4. Identify mechanisms for establishing identifying recipients, verifying their particulars regarding identity, address, school enrollment, school attendance, academic performance, etc.;
5. Conduct tests of learning achievement and maintain systematic records;
6. Provide guidance to students and their families about their educational choices / options;
7. Provide learning rewards to students commensurate with the students' learning achievement, as measured through objective testing;
8. Maintain necessary records of particulars of beneficiaries, learning achievements and learning rewards furnished to the recipient students;

Shiksha Sankalp Inc. would also provide necessary software tools to Grantee organizations for maintaining records and reporting necessary information to Shiksha Sankalp Inc. and its donors.

Part VIII, Line 4(a): The organization plans to engage in a fundraising program in order to raise funds to support the activities of the organization. The organization will use its board, staff, members and others who will be active in the organization to solicit contributions / donations from individuals and corporations. The organization does not plan to retain a professional fundraising company to solicit contributions on its behalf. Solicitations of contributions will be done by the organization and by its staff and volunteers.

The organization will seek contributions through mail, email, phone, personal contact and through its website. (The website has not yet been developed). The organization will also seek grants from private foundations and government sources. The following describes some of the fundraising activities that will be utilized by the organization:

1. *Mail-based fundraising:* The organization may send solicitation literature to the offices of other non-profit organizations and social associations, as well as corporate foundations, seeking financial support.
2. *Email Reports:* The organization will provide periodic reports via email to its donors with an update as to how their contributions have been applied towards the stated goals of Shiksha Sankalp, Inc. The organization will encourage these donors to share our email reports with their friends in the hope of raising additional funds to support

the organization's activities.

3. *Personal and Phone Solicitations*: The organization will solicit funds from associations of people of Indian origin by making personal representations to them in an appropriate format. In these presentations, the organization would showcase the organization's model for promoting education for children from underprivileged families in India. The organization will personally solicit contributions from individuals and private foundations as well as seek contributions from such potential donors via telephone.
4. *Foundation Grant Solicitations*: Shiksha Sankalp would solicit funds from private foundations who might share the concern for providing better education to underprivileged students in India and other developing countries.
5. *Website*: Shiksha Sankalp, Inc. will also accept donations on its website (to be developed).

Part VIII, Line 4(d): The organization plans to conduct its fundraising program throughout the whole of the United States. Initially, however, the organization will limit its fundraising activities to select states, including California, Texas, Virginia and Massachusetts. In each of these states *Shiksha Sankalp* would raise funds for itself. Neither Shiksha Sankalp would raise funds for another organization, nor any other organization would raise funds for *Shiksha Sankalp*.

Part VIII, Line 12(b,c,d): *Shiksha Sankalp* is committed to addressing barriers that inhibit effective school education of underprivileged children in developing countries. To fulfill this objective Shiksha Sankalp would provide grant funding to local non-profit organizations from developing countries under the "Learning Rewards Program". These local non-profit organizations would conduct projects for providing financial support to students from underprivileged families based on demonstrated learning achievements. Shiksha Sankalp would NOT operate in foreign countries directly, but would conduct its programs by providing grant support to local non-profit organizations in developing countries, including India and other countries in South Asia.

Part VIII, Line 13(b): Shiksha Sankalp Inc. is committed to making educational resources more available to children from underprivileged families in India and other developing countries. The purposes of the organization are more fully described in Part IV. In addition, the organization's fund-making program is more fully described in Part VI, Line 1. Shiksha Sankalp, Inc. will make grant funds available to organizations situated in India (and elsewhere) which are committed to fostering education for underprivileged children. The organizations that receive grants from Shiksha Sankalp, Inc. will be appropriately evaluated, in advance, and monitored after monies are donated, to ensure that the exempt purposes of Shiksha Sankalp will be fulfilled. All organizations which will receive monies from Shiksha Sankalp, Inc. will be subject to the Grant Rules. Please see Part VI, Line 1 for more details regarding the grant funding program.

Line 13(c): Yes, Shiksha Sankalp intends to enter into written contracts with grantee organizations. However, no contract has yet been executed. A form contract will be prepared by the organization's attorney in the near future.

Line 13(d): Shiksha Sankalp will identify a recipient organization based upon the selection criteria as outlined in the attached Grant Rules. No specific organizations have been identified for grant support as yet.

Line 13(e): Shiksha Sankalp intends to develop an internet-based tool for tracking the use of funds to be utilized by organizations receiving grants. The grantee organizations will

be required to submit to Shiksha Sankalp documentary evidence in regards to usage and impact of the grants within a timely manner. Should the grantee organizations fail to timely provide sufficient documentary evidence as to use of grant funds to Shiksha Sankalp, said organizations may be subject to remedial action as imposed by the Board of Directors.

Line 13(f): Shiksha Sankalp will require proposed grantee organizations to submit an application form. The grant proposal application form will be formulated in the future. The applicants will be required to submit the following information to Shiksha Sankalp in order to obtain a grant: (i) a description of the internal governance of the recipient organization, organizing documents, and a description of the mission of the recipient organization; (ii) a description of how grant funds would be used by the recipient organization to further the exempt purposes of Shiksha Sankalp; and (iii) a Target Area Assessment Report, which is a survey of the demographics of people living in a project area, including economic activity and levels of educational achievement. Once a recipient organization receives grant funds, it will be continually subject to oversight by the Board of Directors, as provided in the attached Grant Rules.

Line 13(g): As noted under Line 13(e) above, Shiksha Sankalp will develop an internet-based tool to monitor the use of funds by grantee organizations. The recipient organizations will further be required to properly audit their grant fund accounts; they will be required to furnish an annual report on the use of the funds granted to them; and Shiksha Sankalp will conduct periodic field visits to the projects which receive grants from the organization. _

Line 14(b): No foreign organizations have yet been identified as potential recipients of grant funds. Shiksha Sankalp Inc. would not provide grant assistance to any organization which may be related to it in any way.

Line 14(c): Yes. Shiksha Sankalp intends to provide grants to non-profit organizations in developing countries. Many of these non-profit organizations are likely be local in character and would accept contributions for operations within that developing country only.

Line 14(d): Shiksha Sankalp intends to clearly and unequivocally state on its website (and on its written literature) that the ultimate authority as to use of funds will be the Board of Directors. The Board will render grant-making decisions consistent with the organization's Grant Rules. The organization's process for determining use of funds will be expressed on the organization's website and in literature prepared by the organization. __

Line 14(e): The organization will conduct pre-grant inquiries of prospective recipient organizations. The organization will make its inquiry based upon the selection criteria provided in the organization's Grant Rules (see Article IV of the organization's Grant Rules for a description of the selection criteria). The organization will also confirm that a recipient organization is a tax exempt Section 501c3 organization and/or obtained an equivalent tax exemption within the foreign jurisdiction in which the organization was formed.

Line 14(f): Yes. The organization, as described in Lines 13(e) and 13(g), will develop internet based tool to track the use and application of funds by recipient organizations. Additionally, the recipients will be required to upload third party documentary evidence attesting to the use of funds for the benefit of individual beneficiaries of grant funds. The organization will require an annual report to be submitted by the recipient organizations with respect to the accounting and use of grant funds. __

Schedule H. Organization Providing Scholarships, Fellowships, Education Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures

Line 1(a): Under the “Learning Rewards” program, *Shiksha Sankalp* would provide grants to school-going children from economically weaker families in developing countries to facilitate their continued education. However, *Shiksha Sankalp* would not provide grants to students directly. Instead, *Shiksha Sankalp* would provide funding to 501c(3) equivalent non-profit organizations in developing countries for providing grants to students under the “Learning Reward” program consistent with the Grant Rules of *Shiksha Sankalp*.

Line 1(b): School-going students in economically weaker families in developing countries face critical barriers in acquiring learning through the school system - even when school services are provided free-of-cost by the government or educational societies. This leads to poor learning outcomes and high drop-out rates. Such barriers include inter-alia:

- i. Illiterate parents cannot provide adequate guidance and motivation to their children
- ii. Over-crowded small homes and filthy living conditions in poor communities do not provide adequate space for children to focus on studies
- iii. Poor parents cannot afford better education for their children at local private schools and have to depend on government schools, which often provide much inferior education
- iv. Poor parents cannot provide adequate educational aides for their children such as addition books, notebooks, stationary and other necessary educational aides
- v. Poor parents cannot afford tuition support for their children
- vi. Children - especially girls - have to provide support with household responsibilities
- vii. Opportunity cost of education is fairly high for poor children, who find menial jobs such as rag-picking more remunerative than education
- viii. Schooling system is often not geared-up for proper testing of learning achievements, and poor learning outcomes in early years make students learning-handicapped for senior classes - often inducing them to drop-out of middle school
- ix. For the poor, economic incentives are stacked against school education, as returns from a long drawn investment are highly uncertain (depending on academic performance) and accrue much further in the future - essentially yielding a negative expected net present value of investments in education. No wonder poor families do not invest much time, effort and money into education.

Under the “Learning Rewards” program, *Shiksha Sankalp* would provide stipends to students from economically weaker families to support their school education. Amount of stipend would be determined based on performance in a learning achievement test (called the Annual Standardized Academic Performance - ASAP test). The stipend amount would vary from USD 2 per month to USD 50 per month depending on (i) grade/class in school, (ii) performance in ASAP test, and (iii) economic condition of the community. For example, for grade-III students from slum areas in New Delhi, the stipend amount could vary from USD 2 per month to USD 16 per month depending on performance in ASAP test, and an average of USD 10 per month. Stipend amount shall be transferred to the mother’s Bank account.

This is an output based incentives scheme, aimed at providing necessary resources to poor students to help them address barriers to better educational outcomes. The grant provided to students would also compensate the families for the opportunity cost of education.

Line 1(c): *Shiksha Sankalp* does not plan to provide educational loans.

Line 1(d): *Shiksha Sankalp* would identify developing countries and regions within those developing countries where its funding programs would be targeted at any time. *Shiksha Sankalp* would invite proposals from local non-profit organizations for conducting the “Learning Rewards” program in such regions. Proposals submitted by local non-profit organizations shall identify Target Area/Community where such a program shall be conducted. Invitation for proposals shall be posted on the *Shiksha Sankalp* website. In addition, *Shiksha Sankalp* shall also reach out to potential local non-profit organizations through direct contact.

Once a Target Area/Community has been selected, the details of the program would be communicated through public announcements, posters, short movies, pamphlets, house-to-house information, intimation to the area/community leaders and other non-profit organizations actively engaged in the target area/community. This community out-reach program shall be conducted by the developing country non-profit organization which receives grant funds from *Shiksha Sankalp*. However, *Shiksha Sankalp* would maintain an oversight through its local representatives.

Note: Examples of targeted communities may be the sweepers or the rickshaw-wallas in an Indian city, who may not all live in the same locality, but face same economic conditions and barriers to education of children by virtue of a common profession and social status.

Line 1(e): Sample solicitation material prepared for a prospective project in India under the “Learning Rewards” program is attached. Original material in Hindi as well as its English translation are provided herewith.

Line 1(f): Sample copy of Beneficiary Registration Form is attached. A copy of the letter intimating the prospective beneficiaries of the ASAP exam and reiterating the scheme details is also attached.

Line 3: Eligibility Criteria:

- 1) Residence within the targeted poor locality or membership of the targeted community
- 2) Enrollment in a government-recognized school
- 3) Availability of mother’s bank account

Line 4(a): Criteria for Selection: Any students who meets the above mentioned eligibility criteria with third party documentary proof, and appears for the ASAP test shall be considered selected for monthly stipend under the “Learning Rewards” program. *Shiksha Sankalp*’s “Learning Rewards” program is aimed at encouraging and supporting the weak students while at the same time recognizing and rewarding the strong students. The program is not aimed at providing scholarships to the strong students only. The program would therefore provide all students with scholarships proportional to their level of learning as tested through the ASAP test.

Line 4(b): *Shiksha Sankalp* would be funding local non-profit organizations in developing countries, which in turn would conduct the “Learning Rewards” program in the target areas or communities. Each proposal received from a local non-profit organization shall specify the

estimated number of students who will be provided “Learning Rewards”. The *Shiksha Sankalp* selection committee (comprising of the board of directors) shall enter into any new funding commitments based on the quantum of funds available.

Line 4(c): Amount of each grant to eventual beneficiary (poor student) shall depend on the performance in the ASAP test.

Line 4(d): To obtain the grant the student shall have to:

- i. Register under the Learning Rewards program
- ii. Provide third party (usually government issued) documentary proofs of identity, address, parentage, school admission, school performance and mother’s bank account
- iii. Appear for the ASAP test

To maintain the grant, the student shall have to:

- i. Maintain a minimum attendance at school
- ii. Maintain satisfactory performance at school

For renewal of grants, the student will have to:

- i. Provide documentary evidence of continued compliance with eligibility requirements
- ii. Appear for the ASAP test for the next grade

Line 5:

Procedures for supervising the scholarships:

Shiksha Sankalp would conduct its Learning Rewards program through partner local non-profit organizations in the developing countries. *Shiksha Sankalp* would develop a software tool for monitoring compliance with the requirements of the scholarship scheme. All pertinent data, documents, photographs of the students and video recordings of events will be uploaded on the *Shiksha Sankalp* software tool by the partner organization. *Shiksha Sankalp* would provide periodic approvals to the partner organization on compliance with the procedural and fiduciary requirements. The information submitted to *Shiksha Sankalp* would include documentary evidence for identity and address of the parents, school admission of the child, school attendance and performance and mother’s bank account. Information about all significant financial transactions using the grants provided by *Shiksha Sankalp* shall be uploaded on the software tool by the partner organization.

Grade Transcripts: Grade transcripts (report cards) shall be obtained from the beneficiary students and not from the schools.

Procedures for action :

1. *If terms of award Between local non-profit organization and the beneficiary student are violated by the student:* At the student level, the partner local non-profit organization would not transfer monthly “Learning Rewards” to the bank account of the student’s mother unless the student is in compliance with the attendance and school performance conditions. The documentary evidence of compliance will be

uploaded on the *Shiksha Sankalp* website by the partner non-profit organization and shall be monitored regularly by this organization.

2. *If terms of award between Shiksha Sankalp and local non-profit organization are violated by the latter:* At the partner local non-profit organization level, *Shiksha Sankalp* would monitor procedural and fiduciary compliance by the partner local non-profit organization. The information uploaded by the partner organization on the *Shiksha Sankalp* website would be used for this purpose. In case of non-compliance *Shiksha Sankalp* would withhold further funding until corrective steps are taken.

Line 6: Under the “**Learning Rewards**” program, all children in the Target Area/ Community who meet the eligibility criteria and comply with the selection criteria (including appearing for the ASAP test) would be provided grant support. Therefore a selection committee would not be required for selection of candidates. However Selection Committee would be required for selection of Target Area/Community. As also specified in the Grant Rules, this Selection Committee would comprise of all the members of Board of Directors of *Shiksha Sankalp*.