

Michelle Marchand
Seattle Housing and Resource Effort (SHARE)
PO Box 2548
Seattle WA 98111-2548

July 5, 2016

Re: SHARE 2012 IRS 990 & Seattle HSD Project Services Agreement, Amendment 4

Dear Ms. Marchand,

I am directing this letter to you because you are identified as the contact person for SHARE on documents on file with the City of Seattle. Please see the enclosed excerpts from SHARE's IRS-990 form for 2012. On Schedule O, page 2, under Part VI, Lines 18 and 19 it says:

The Board of Directors of SHARE will make it clear for anyone visiting their location that all required information relative to the operation of the organization are [sic] available upon request. This includes tax returns, statements of conflict of interest, governing documents, financial statements, etc.

I would like to take SHARE up on this offer and visit with you and other SHARE directors at your downtown Seattle location so I can clear up some questions I have on SHARE's **2012 IRS 990** form and the enclosed **Seattle Human Services Department-SHARE Project Services Agreement, Amendment 4**. To save time, I have prepared a list of questions and have highlighted the relevant parts on the enclosed documents. I'm asking that you have the requested information and/or documents ready when we meet:

IRS Form 990 (2012)

- **Part I, Line 20 (See also Part X, Line 1) Total Assets**

The 990 shows that there was a \$200,000 reduction of assets from the previous year. I assume that a shift in income and expenses accounted for much of that, but for now I want to concentrate on income. Please provide an itemized list of grant money that was received in 2011 and 2012. The list should be broken out by year and should have contact information for all granting organizations.

- **Part IV, Line 4 - Lobbying**

This box is checked "no," indicating that SHARE did not do lobbying. Please tell me whether SHARE representatives or clients attended any meetings, publicly or privately, with government officials during 2012 for the purpose of securing funding or favorable legislation for the organization.

- **Part IV, Line 11(a) - Land, buildings, equipment / Schedule D**

SHARE answered “no” to the question: “Did you report an amount for land, buildings, and equipment on Part 10, Line X? If yes, complete Schedule D” –But SHARE did, in fact, report a number for this on Part X, Line 10. And SHARE did not attach Schedule D. Please document for me the assets SHARE is referring to on Part X, line 10 and explain why SHARE didn’t check the “yes” box on Part IV, Line 11(a).

- **Part IV, Line 11(e) - Other liabilities**

SHARE answered “no” to the question about whether the organization reported other liabilities on Part X, Line 25, but in fact there is an amount of \$7,000 on that line. Why didn’t SHARE check this box “yes” and attach Schedule D?

- **Part IV, Line 29 - Non-cash contributions**

Did SHARE receive more than \$25,000 in non-cash contributions? The “no” box is checked. Please provide me with a list of non-cash contributions and estimated values for the years 2012 through 2015. This list should include any items donated to SHARE for the purpose of being auctioned at the “Fall Harvest Auction.” (See also Part VIII, Line 8c below.)

- **Part V, Line 2a/b - Number of employees**

SHARE did not enter a number of employees for Line 2a but did check line 2b stating that the organization did file employee forms for employees. How many employees did SHARE have for the year? What were their job duties and salaries?

- **Part VII, Section A, Item 7 - Key employees**

Andy Abad is listed as a board member. According to documents on file with the King County Sheriff, in January 2014, Mr. Abad was arrested for possessing and distributing methamphetamine in a “sting” operation at a SHARE-run encampment. What was the nature of Mr. Abad’s connection to SHARE at that time and since?

- **Part VIII, Lines 1(e) and 1(f) - Contributions**

Please provide itemized lists of government and non-government contributions.

- **Part VIII, Line 2(a) - Participant fees**

Please provide a description of “participant fees” and documentation regarding fee schedules. This should include an example of any contract SHARE has with shelter and/or encampment clients that involves payment of a fee and related obligations incurred by either SHARE or the participant/client.

- **Part VIII, Line 8(c) - Income from fundraising**

This item is entered as \$48,328. Please provide an itemized list of fundraising income. If some of the fundraising was done through an auction, include a list of the auctioned items and their auction price.

- **Part IX, Line 11(c) - Accounting expense**

The amount given is \$15,661. Please provide check stubs or bank transfer statements showing to whom this money was paid and for what services. Include an invoice from the provider.

- **Part IX, Line 17 - Travel**

This item is entered as \$42,314, which is more than 20% of the organization's total payroll. Please provide an itemized list of the travel expenses for the period covered, along with receipts and reimbursement forms.

- **Part IX, Line 24(b) - Other expenses, itemized** (refer to page 19 of the attached 990 form under "Statement 3")

Utilities (\$143,61) - Please provide an itemized list of utility payments for the year.

Tree of Life Wall (\$134,931) - This is a sculpture installment at Victor Steinbrueck Park. The project accounted for 37% of SHARE's "other expenses" for the year and was the second largest single item, behind utilities. Please state how the project accords with SHARE's stated "primary exempt purpose" (from the same page, Statement 6) to "empower homeless adults by providing self-organized and managed shelter, and organizing to end homelessness." Please provide an itemized list of grant money received and project costs paid by SHARE on this project. Include any documentation relating to how SHARE obtained permission to install the project on public land and info on all other organizations, public or private, that participated in its construction.

- **Schedule O - Supplemental Information** (Governance, referencing lines 8a-b, 11b)

In this schedule, SHARE says they give a copy of the 990 to all the board members and the board members "spend considerable time reviewing it and comparing to prior years, etc." before filing it. Please invite the following 2012 SHARE board members to the meeting: Anitra Freeman, Steve Freiberg, Lantz Rowland – so I may verify that they received and spent "considerably time reviewing" the 2012 990 form. Please provide current contact information for the remaining board members so that I can contact them separately if I wish.

2011 Project Services Agreement (#DA11-1392 Seattle HSD/SHARE)

SHARE is party to this contract (see enclosed).

I have highlighted contract language on several pages referring to “winter shelter” and “severe weather shelter.” The shelter was to be provided at the Frye Hotel, a well-known Seattle landmark owned by the Low Income Housing Institute (LIHI). The cost for renting/operating this shelter was to be reimbursed to SHARE at variable rates on a per-shelter-night basis, as opposed to the usual per-shelter-bed rate. The total reimbursable amount was about \$146,000 for the period covered. Please provide documentation showing what the final reimbursement amount was and checks or bank statements showing that LIHI was paid for rental of its space or any associated costs for this period (January 2011 through April 2012). Please provide copies of any “Agency Reports” you submitted to HSD on winter and severe weather shelter (see the table on, page 5, under “Verification”). If any part of the winter and severe weather agreement was changed in any way, please document that SHARE notified the Seattle contract manager timely.

New CPA

A May 17, 2016 post on SHARE’s Web site said that a man the group had using for several years to review the books was not a licensed CPA and that the man would be dismissed and a licensed accountant would be hired. It is now nearly two months since that announcement. Has SHARE retained a licensed accountant? If so, who is that person and what is the timeline for them to review/audit the previous person’s work?

Ms. Marchand, I understand that you have a job to do, and with that in mind I’m willing to accommodate your schedule within reason. A month seems like a fair time for you to get this material together. Please contact me at the address below within a week to set up a meeting time. Attending the meeting with me will be my colleague Ms. Morris and another individual who is a professional accountant. Thank you.

Sincerely,

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enclosures