



Washington State Society for Healthcare Engineering

Open letter to WSSHE members

Re: Pete Peterson Scholarship Fund (PPSF)

5/7/08

Fellow WSSHE members,

I have been asked to write this document to clarify what the PPSF is and its relationship to the Washington State Society for Healthcare Engineering (WSSHE). During the past several years, there have been many questions raised concerning the reasons for the formation of the PPSF, how it is run and what influence WSSHE has over it.

In 2004, several members of the Puget Sound Chapter of WSSHE (PS), myself included, thought it would be a good idea to hold a golf tournament strictly as a social event. The success of the event prompted the idea of creating a fund that would allow Full Members to attend the two WSSHE "state" conferences. We thought this not only could spur increased membership because it allowed members not funded by their facilities to attend the conferences, but it would also help the WSSHE financial situation. Unwise to the ways and technicalities of corporations, an Associate Member named Bruce Holliday, pointed out to us that we could not legally run a scholarship fund using PS operating monies. Because of his experience with non-profit organizations, he was able to make this distinction clear to the other PS board members. Only a 501 c (3) corporation could distribute funds to WSSHE members to attend the WSSHE conferences.

Because WSSHE was formed as a 501 c (6) corporation, we had to form another corporation if we wanted to continue to pursue our goal. Bruce had personally formed 8 other non-profit corporations, so he offered to put together another. He had one caveat, however. It had to be named for Pete Peterson, a man that he knew only a short time, but his dedication to the WSSHE group had inspired Bruce to join WSSHE and become involved on the board of PS. It didn't take any convincing on my part as I knew Pete as well. He volunteered here at Fred Hutchinson Cancer Research Center for 10 years. He also inspired me to get involved in WSSHE. He became a mentor and friend to me.

On March 2, 2005, Articles of Incorporation were filed and the Certificate of Incorporation was granted for the PPSF under the UBI number 602-478-492 by the Washington Secretary of State's office. The Employee Identification Number (76-0797572) was granted by the Internal Revenue Service on August 8, 2005. On March 23, 2006, the IRS granted the 503 c (3) exemption, and the effective date was retroactive to March 2, 2005.

The PPSF By-Laws were created so only WSSHE Full Members can benefit from the funds raised by the PPSF. The main source of income was to come from the PS Golf Tournament, which would donate proceeds from the golf tournament to PPSF. An added benefit to the c (3) corporation is that, unlike a c (6) corporation, it can accept non-business related tax-deductible donations from any private person, business or other corporation. A c (6) corporation can only accept business-related funds and allow tax deductions. The PPSF Board of Directors consists of three members from the PS Board of Directors, the President-Elect, President, and Past President. The Board also has a Secretary, a Treasurer and a member of the Pete Peterson family. Presently, his daughter Glenna, fills this role.

Early on in the formation process, the legality of the PPSF was questioned by some people and its affiliation with WSSHE was in danger of being prohibited. To prove the legitimacy of the PPSF, an inquiry was sent to the office of U.S. Senator Ron Wyden to ask the Internal Revenue Service to write a letter validating the PPSF. On December 14, 2006 this letter was received on an IRS letterhead and presented to the WSSHE Board of Directors. The letter clearly stated that the PPSF had correctly been registered with the IRS and that it could function in the role that it was designed to fill. Furthermore, an independent law firm of Vandenberg, Johnson, and Gandara of Tacoma was selected by a WSSHE committee consisting of members of each chapter. The firm was to review the PPSF articles of incorporation, its By-Laws, and verify that there was no reason why WSSHE could suffer because of its affiliation with PPSF. The overwhelming endorsement by this law firm for the PPSF and its close affiliation to WSSHE put to rest any further dissent. The WSSHE Board of Directors unanimously endorsed the PPSF and its mission to further the education of WSSHE Full Members.

To date we have awarded 11 scholarships (\$4,800) since the PPSF was formed. Due to the dissention and the effort to prove the legitimacy of the fund, our concentration was diverted from maximizing the awards. Now that this is all behind us, we can work to increase the annual awards made. Recently, the PS President, Russ Kent, created a website for the PPSF called "petepetersonscholarshipfund.org". It is still in a primitive state, but it does confirm the fund's mission. There is an application form with instructions available on this site. We hope to upgrade this site as time allows and start helping facility engineers further their careers while benefiting the group as a whole.

To the WSSHE Associate Members who are considering sponsoring the upcoming PS Golf Tournament, I want to encourage you to do so. You can do this knowing 100% of your supporting funds will not only go to WSSHE, but it will allow hospital personnel not financially supported by their organizations to attend conferences they might never have been able to attend. This increases your exposure to these people, but also increases your exposure to WSSHE as a whole. Your contribution to the PS golf tournament can only enhance the sponsorship role you play at the chapter or state level of WSSHE.

Thanks for your participation in the PPSF and ultimately in WSSHE.

**James Mead
Secretary, PPSF**