Term	Definition
35% Controlled Entity	An entity that is owned, directly or indirectly by individuals listed in Table 1 or their family members thereof (listed persons) as follows: 1. A corporation in which listed persons own more than 35% of the total combined voting power. 2. A partnership in which listed persons own more than 35% of the profits interests; or 3. A trust or estate in which listed persons own more than 35% of the beneficial interest.
Business Relationship #1	One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, or greater than 35% owner, even if that organization is tax exempt.
Business Relationship #2	One person is transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of $10,000 in the aggregate during the organization's tax year. Indirect transactions are transactions with an organization with which the one person is associated as a trustee, director, officer, or greater than 35% owner. Such transactions do not include charitable contributions to tax-exempt organizations.
Business Relationship #3	The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity that are not tax exempt organizations. Ownership is measured by stock ownership (either voting power or value, whichever is greater) of a corporation, profits or capital interest in a partnership or limited liability company (whichever is greater), membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (for example, ownership is an entity that has ownership in the entity in question); there may be ownership through multiple tiers of entities.
Business Transactions	Business Transactions are business dealings with the organization outside one's capacity as trustee, director, officer, or key employee. Business transactions include but are not limited to contracts of sale, lease, license, insurance, and performance of services, whether initiated during the organization's tax year or ongoing from the prior year. Business transactions also include joint ventures with an interested person, the organization has invested $10,000 or more in the joint venture, whether new or ongoing, in which either profits or capital interest of the organization and of the interested person each exceeds 10%. The organization's charging of membership dues to its officers, directors, etc. is not considered a business transaction.
Charitable class	A group of individuals that may properly receive assistance from a charitable organization under 501(c)(3) in furtherance of its exempt purpose. The group must be large enough that providing aid to the member benefits the community as a whole.
Common Paymaster	A situation that exists when two or more related corporations employ the same individual at the same time and pay this individual through a common paymaster that is one of the corporations. The corporations are considered to be a single employer; however each entity must pay its share of wages and taxes.
Family Relationships	Unless specified otherwise, the family of an individual includes only his or her legally recognized spouse (including same sex spouse), ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.
Grants and Other Assistance	Includes scholarships, fellowships, discounts on goods and services, internships, prizes and awards. A grant includes the gift portion of a part-sale, part-gift transaction. For example, selling property or services at less than fair market value is a part-sale, part-gift transaction. Assistance includes provision of goods, services, or use of facilities.
Other Class	Refers to members of 501(c)(5), 501(c)(6), or 501(c)(7) organizations.
Privileged Relationships	There are three "privileged relationship" exceptions: attorney/client, medical professional/patient, priest/clergy and penitent/communicant.
Unrelated Organization	An organization that is not a related organization with respect to the filing organization. The following organizations are considered "**related**" to the University of Puget Sound: Rainier Heights Holdings, LLC, and Northwest Academic Computing Consortium, Inc.