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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Note: *The foundation may be able to use a copy of this return to satisfy state reporting requirements*

OMB No 1545-0052
2008

For calendar year 2008 , or tax year beginning 10-01-2008 and ending 09-30-2009

☐ Check all that apply

☐ Initial return

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
STEPHENSON POPE BABCOCK FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
2000 FRONTIS PLAZA BLVD STE 106

Room/suite

City or town, state, and ZIP code
WINSTONSALEM, NC 27103

A Employer identification number
56-2000456

B Telephone number (see the instructions)

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☒ \$ 1,548,698

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	53,818			
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	35,598	35,598		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-111,256			
	b Gross sales price for all assets on line 6a _____ 485,701				
	7 Capital gain net income (from Part IV , line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	-21,840	35,598		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	1,825	1,825		1,825
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see the instructions). . . .	1,629			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	2,913	2,913		2,913
	24 Total operating and administrative expenses. Add lines 13 through 23	6,367	4,738		4,738
	25 Contributions, gifts, grants paid	98,000			98,000
	26 Total expenses and disbursements. Add lines 24 and 25	104,367	4,738		102,738
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-126,207			
	b Net investment income (if negative, enter -0-)		30,860		
	c Adjusted net income (if negative, enter -0-)				

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Cat No 11289X

Form **990-PF** (2008)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	297,981	317,740	317,740
	3	Accounts receivable  _____ Less allowance for doubtful accounts  _____			
	4	Pledges receivable  _____ Less allowance for doubtful accounts  _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7	Other notes and loans receivable (attach schedule)  _____ Less allowance for doubtful accounts  _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1,358,245 	1,067,634	1,073,612
	c	Investments—corporate bonds (attach schedule)		144,645	157,346
	11	Investments—land, buildings, and equipment basis  _____ Less accumulated depreciation (attach schedule)  _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis  _____ Less accumulated depreciation (attach schedule)  _____			
15	Other assets (describe  _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,656,226	1,530,019	1,548,698	
Liabilities	17	Accounts payable and accrued expenses	0	0	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe  _____)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here  ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here  ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,656,226	1,530,019	
	30	Total net assets or fund balances (see the instructions)	1,656,226	1,530,019	
31	Total liabilities and net assets/fund balances (see the instructions)	1,656,226	1,530,019		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year’s return)	1	1,656,226
2	Enter amount from Part I, line 27a	2	-126,207
3	Other increases not included in line 2 (itemize)  _____	3	
4	Add lines 1, 2, and 3	4	1,530,019
5	Decreases not included in line 2 (itemize)  _____	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,530,019

Part IV

Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
b				
c				
d				
e				
(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	
a	See Additional Data Table			
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) F M V as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a	See Additional Data Table			
b				
c				
d				
e				
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2 -37,489
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	{ }		3

Part V

Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If “Yes,” the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2007	107,211	1,751,657	0 061205
2006	102,813	1,794,820	0 057283
2005	73,271	1,596,816	0 045886
2004	91,312	1,383,642	0 065994
2003	68,912	1,288,539	0 053481
2	Total of line 1, column (d).		2 0 283849
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		3 0 05677
4	Enter the net value of noncharitable-use assets for 2008 from Part X, line 5.		4 1,552,010
5	Multiply line 4 by line 3.		5 88,108
6	Enter 1% of net investment income (1% of Part I, line 27b).		6 309
7	Add lines 5 and 6.		7 88,417
8	Enter qualifying distributions from Part XII, line 4. If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions		8 102,738

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see the instructions)			
1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1		1	309
Date of ruling letter _____ (attach copy of ruling letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	309
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			
3 Add lines 1 and 2.			
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	309
6 Credits/Payments		7	1,416
a 2008 estimated tax payments and 2007 overpayment credited to 2008 6a 1,416			
b Exempt foreign organizations—tax withheld at source 6b			
c Tax paid with application for extension of time to file (Form 8868) 6c			
d Backup withholding erroneously withheld 6d			
7 Total credits and payments Add lines 6a through 6d.		7	1,416
8 Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ☐		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . ☐		10	1,107
11 Enter the amount of line 10 to be Credited to 2009 estimated tax ☐ 312 Refunded ☐		11	795

Part VII-A Statements Regarding Activities				
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		1a	Yes	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		1b		No
<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		1c		No
c Did the foundation file Form 1120-POL for this year?.		1c		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____				
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____				
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		2		No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		3		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?.		4a		No
b If "Yes," has it filed a tax return on Form 990-T for this year?.		4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		5		No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either - By language in the governing instrument, or - By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		6	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>		7	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ☐ _____				
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>		8b	Yes	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		9		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		10		No

Part VII-A

Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11a		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Web site address ▶spbabcockfoundation.org				
14	The books are in care of ▶BRUCE BABCOCK	Telephone no ▶(336) 659-0290		
Located at ▶2000 FRONTIS PLAZA BLVD STE 106 WINSTON SALEM NC		ZIP +4 ▶27103		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here			▶
and enter the amount of tax-exempt interest received or accrued during the year		▶	15	

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	Yes	No	
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	Yes	No	
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	Yes	No	
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	Yes	No	
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	Yes	No	
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days).	Yes	No	
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?	1b		
Organizations relying on a current notice regarding disaster assistance check here. ▶				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?			
If "Yes," list the years ▶ 20____, 20____, 20____, 20____				
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see the instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?			
b	If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

Continued

5a

During the year did the foundation pay or incur any amount to

(1)

Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

Yes

✓

No

(2)

Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

Yes

✓

No

(3)

Provide a grant to an individual for travel, study, or other similar purposes?

Yes

✓

No

(4)

Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions).

Yes

✓

No

(5)

Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

Yes

✓

No

5b

If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see the instructions)?

Yes

▶

No

6a

Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes

✓

No

6b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Yes

✓

No

7a

At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes

✓

No

7b

If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

Yes

✓

No

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1

List all officers, directors, trustees, foundation managers and their compensation (see the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Additional Data Table				

2

Compensation of five highest-paid employees (other than those included on line 1—see the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances

Total

number of other employees paid over \$50,000.

▶

Part VIII Information About Officers and Contractors Continued

3 Five highest-paid independent contractors for professional services—(see the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation

Total number of others receiving over \$50,000 for professional services.	1
--	---

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
--	----------

1		
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
--	--------

1	
2	
All other program-related investments See the instructions	
3	

Total Add lines 1 through 3.		
---	---	--

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	1,575,645
b	Average of monthly cash balances.	1b	0
c	Fair market value of all other assets (see the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,575,645
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	1,575,645
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see the instructions).	4	23,635
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,552,010
6	Minimum investment return. Enter 5% of line 5.	6	77,601

Part XI

Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6.	1	77,601
2a	Tax on investment income for 2008 from Part VI, line 5.	2a	309
b	Income tax for 2008 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	309
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	77,292
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	77,292
6	Deduction from distributable amount (see the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	77,292

Part XII

Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	102,738
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	102,738
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	309
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	102,429

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII

Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1	Distributable amount for 2008 from Part XI, line 7				77,292
2	Undistributed income, if any, as of the end of 2007				
a	Enter amount for 2007 only.				
b	Total for prior years 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2008				
a	From 2003.				6,687
b	From 2004.				25,190
c	From 2005.				
d	From 2006.				15,468
e	From 2007.				22,454
f	Total of lines 3a through e.	69,799			
4	Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 102,738				
a	Applied to 2007, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see the instructions). . . .				
c	Treated as distributions out of corpus (Election required—see the instructions).				
d	Applied to 2008 distributable amount.				77,292
e	Remaining amount distributed out of corpus	25,446			
5	Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	95,245			
b	Prior years' undistributed income Subtract line 4b from line 2b.				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d	Subtract line 6c from line 6b Taxable amount—see the instructions.				
e	Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount—see the instructions.				
f	Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008.				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions).				
8	Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions).	6,687			
9	Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a.	88,558			
10	Analysis of line 9				
a	From 2004.				25,190
b	From 2005.				
c	From 2006.				15,468
d	From 2007.				22,454
e	From 2008.				25,446

Part XIV

Private Operating Foundations (see the instructions and Part VII-A, question 9)

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling.

b

Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2008	(b) 2007	(c) 2006	(d) 2005	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
	a "Assets" alternative test—enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
	b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
	c "Support" alternative test—enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization						
(4) Gross investment income						

Part XV

Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see the instructions.)

1

Information Regarding Foundation Managers:

a

List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

b

List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2

Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a

The name, address, and telephone number of the person to whom applications should be addressed

b

The form in which applications should be submitted and information and materials they should include

c

Any submission deadlines

d

Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV

Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	98,000
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Form **990-PF** (2008)

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge				
*****			2010-02-15	*****
Signature of officer or trustee			Date	Title

Paid Preparer's Use Only	Preparer's Signature JOSEPH P SILLS	Date	Check if self-employed ☒	Preparer's SSN or PTIN (See Signature in the instructions)
	Firm's name (or yours if self-employed), address, and ZIP code	DANIEL PROFESSIONAL GROUP INC 4400 SILAS CREEK PARKWAY SUITE 200 WINSTONSALEM, NC 27104		EIN
			Phone no (336) 768-3290	

Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service	Schedule of Contributors ▶ Attach to Form 990, 990-EZ, and 990-PF. ▶ See separate instructions.	OMB No 1545-0047
		2008

Name of organization STEPHENSON POPE BABCOCK FOUNDATION	Employer identification number 56-2000456
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Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)() (enter number) organization ☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation ☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions)

General Rule—

☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules—

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33¹/₃% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1 Complete Parts I and II
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ _____

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer “No” on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization STEPHENSON POPE BABCOCK FOUNDATION	Employer identification number 56-2000456
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Part II Noncash Property (see Instructions)			
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	2200 SHS MERRILL LYNCH PFD 1500 SHS STAPLES	\$ 48,318	2009-09-29
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Name of organization STEPHENSON POPE BABCOCK FOUNDATION	Employer identification number 56-2000456
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Part III

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete columns (a) through (e) and the following line entry)
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **\$1,000 or less** for the year (Enter this information once See instructions) ► \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
—			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4		Relationship of transferor to transferee
—			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4		Relationship of transferor to transferee
—			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4		Relationship of transferor to transferee
—			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4		Relationship of transferor to transferee
—			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4		Relationship of transferor to transferee

Additional Data

Software ID: 08000068

Software Version: 08-8.3

EIN: 56-2000456

Name: STEPHENSON POPE BABCOCK FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines a - d

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
2 CEF NUVEEN DIVERSIFIED	P	2005-04-26	2008-10-28
100000 FEDERAL HOME LOAN BANKS	P	2008-06-17	2008-12-19
1000 BRIDGEHAMPTON NATIONAL BANK	P	2001-02-13	2009-03-04
450 L3 COMMUNICATIONS HLDG CORP	D	2002-11-12	2009-03-04
1000 GENERAL ELECTRIC CO	P	2007-06-05	2009-03-16
600 GENERAL ELECTRIC CO	P	2005-09-27	2009-03-16
200 GENERAL ELECTRIC CO	D	1991-10-09	2009-03-16
1100 PROCTOR AND GAMBLE CO	P	2008-05-14	2009-04-20
800 SEALED AIR CORP	P	2004-01-27	2009-04-27
600 SEALED AIR CORP	P	2000-11-29	2009-05-05
600 SEALED AIR CORP	D	1994-07-07	2009-05-05
100 MEDTRONIC INC	P	2006-03-28	2009-07-30
200 MEDTRONIC INC	P	2006-03-28	2009-07-30
100 MEDTRONIC INC	P	2005-04-21	2009-07-30
1000 MEDTRONIC INC	P	2006-04-18	2009-07-30
1000 GENERAL ELECTRIC CO	D	1991-10-09	2009-08-06
1000 FACTSET RESEARCH SYS	P	2008-01-07	2009-09-28
1500 STAPLES INC	P	2005-03-16	2009-09-29
600 SEALED AIR CORP	P	2004-01-28	2009-04-27

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
50,000		50,000	
100,000		100,000	
18,446		10,833	7,613
27,785		20,637	7,148
9,962		37,905	-27,943
5,977		20,135	-14,158
1,992		1,123	869
56,753		72,756	-16,003
13,988		20,293	-6,305
12,480		9,734	2,746
12,480		4,212	8,268
3,471		5,187	-1,716
7,054		10,373	-3,319
3,527		5,090	-1,563
35,268		49,395	-14,127
14,250		5,613	8,637
67,282		53,839	13,443
34,495		30,973	3,522
10,491		15,092	-4,601

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			7,613
			7,148
			-27,943
			-14,158
			869
			-16,003
			-6,305
			2,746
			8,268
			-1,716
			-3,319
			-1,563
			-14,127
			8,637
			13,443
			3,522
			-4,601

Form 990PF PartVIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ANNE BABCOCK	VICE PRESIDENT 0	0	0	0
2210 BROOKFIELD DR WINSTON SALEM, NC 27106				
BRUCE BABCOCK	PRESIDENT 0	0	0	0
2000 FRONTIS PLAZA BLVD STE 106 WINSTONSALEM, NC 27103				
LUKE BABCOCK	VICE PRESIDENT 0	0	0	0
15 JOHN STREET SAG HARBOR, NY 11963				
THOMAS BABCOCK	VICE PRESIDENT 0	0	0	0
104 STADIUM ROAD CHARLOTTESVILLE, VA 22903				
ALICE PEARCE	SECRETARY 0	0	0	0
3960 NORTH OCEAN BLVD 6 DELRAY BEACH, FL 33483				

Form 990PF Part XV Line 3a - Grants and Contributions Paid During the Year

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
VITAL EDGE FUND PO BOX 1000 BRIDGEHAMPTON,NY 11932	NONE	501(C)	CHARITABLE USE	6,000
BRIDGEHAMPTON CHILD CARE & RECREATIONAL CENTER PO BOX 1197 BRIDGEHAMPTON,NY 11932	NONE	501(C)(3)	CHARITABLE USE	10,000
HUMAN RESOURCES OF THE HAMPTONS 168 HILL STREET SOUTHAMPTON,NY 11968	NONE	501(C)(3)	CHARITABLE USE	5,000
LIGA MAC 511 E SAN YSIDRO BLVD J-444 SAN YSIDRO,CA 92173	NONE	501(C)(3)	CHARITABLE USE	5,000
THE CROSBY SCHOLARS 2701 UNIVERSITY PARKWAY WINSTON SALEM,NC 27105	NONE	501(C)	CHARITABLE USE	8,000
ANNE K TAYLOR FUND 2724 ARVIN ROAD BILLINGS,MT 59102	NONE	501(C)	CHARITABLE USE	10,000
INTERNATIONAL HOSPITAL FOR CHILDREN 1900 BYRD AVENUE SUITE 204 RICHMOND,VA 23230	NONE	501(C)(3)	CHARITABLE USE	5,000
CHILDRENS MUSEUM OF THE EAST END PO BOX 316 BRIDGEHAMPTON,NY 19132	NONE	501(C)(3)	CHARITABLE USE	10,000
COMMON HOPE PO BOX 14298 ST PAUL,MN 551140298	NONE	501 (C)(3)	CHARITABLE USE	1,000
MEDI-MAX 18433 WILLOW LANE LANSING,IL 604383373	NONE	501 (C)(3)	CHARITABLE USE	1,000
OUTDOOR OUTREACH 5275 MARKET STREET SUITE A SAN DIEGO,CA 92114	NONE	501 (C)(3)	CHARITABLE USE	7,000
SILVER SHIELD FOUNDATION 866 UNITED NATIONS PLAZA SUITE 307 NEW YORK,NY 10017	NONE	501(C)(3)	CHARITABLE USE	2,000
SIDELINES CLUB 121 ELDER AVENUE B IMPERIAL BEACH,CA 91932	NONE	501(C)(3)	CHARITABLE USE	2,000
JORDAN HAERTER MEMORIAL FUND 64 HARRISON STREET SAG HARBOR,NY 11963	NONE	501(C)(3)	CHARITABLE USE	7,000
SHOULDER TO SHOULDER 4754 CHAPEL RIDGE DRIVE CINCINNATI,OH 45223	NONE	501(C)(3)	CHARITABLE USE	5,000
Total  3a				98,000

Form 990PF Part XV Line 3a - Grants and Contributions Paid During the Year

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BEMCC 642 THIRD AVENUE SUITE 1 CHULA VISTA, CA 91910	NONE	501(C)(3)	CHARITABLE USE	10,000
A NURTURED WORLD 6404 WILBUR DRIVE AUSTIN, TX 78757	NONE	501(C)(3)	CHARITABLE USE	1,000
BREAKTHROUGH AT NORFOLK ACADEMY 1585 WESLEYAN DRIVE NORFOLK, VA 23502	NONE	501(C)(3)	CHARITABLE USE	1,000
FRIENDS OF THE JOHN SMITH TRAIL 410 SEVERN AVENUE SUITE 204 ANNAPOLIS, MD 21403	NONE	501(C)(3)	CHARITABLE USE	1,000
COLUMBIA UNIVERSITY 33 WEST 60TH STREET 7TH FLOOR NEW YORK, NY 100237905	NONE	501(C)(3)	CHARITABLE USE	1,000
Total  3a				98,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2008 Depreciation Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION

EIN: 56-2000456

TY 2008 Investments Corporate Bonds Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION

EIN: 56-2000456

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CATERPILLAR FINL SVCS MTNS	19,802	20,974
DEERE JOHN CAP CORP MTNS	37,587	42,290
HEWLETT PACKARD CO	37,495	42,710
WELLS FARGO & CO NEW	49,761	51,372

TY 2008 Investments Corporate
Stock Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION
EIN: 56-2000456

Name of Stock	End of Year Book Value	End of Year Fair Market Value
GENERAL ELECTRIC		
SEALED AIR		
STAPLES	8,703	6,966
XTO ENERGY INC	36,966	54,377
L-3 COMMUNICATIONS	29,915	32,128
MERRILL LYNCH PFD	13,428	13,814
STAPLES	34,890	34,830
SCHLUMBERGER	34,187	20,264
TARGET CORP	90,267	84,024
BRIDGEHAMPTON NATIONAL BANK	20,041	45,011
SEALED AIR CORP		
STAPLES INC	19,315	23,220
PEPSICO INC	50,105	58,660
CITIGROUP CAPITAL IX	63,855	45,500
CEF NUVEEN DIVERSIFIED		
FEDERAL HOME LN BKS		
GENERAL ELECTRIC		
MEDTRONIC INC		
3M COMPANY	70,385	66,420
EMERSON ELECTRIC	65,093	64,128
SCHULUMBERGER	38,151	39,336
WALGREEN CO	69,484	63,699
SCHLUMBERGER		
BERKSHIRE HATHAWAY INC	56,845	46,522
FACTSET RESEARCH SYSTEMS		
PROCTOR & GAMBLE		
STYKER CORP	79,231	72,688
XTO ENERGY INC	74,832	77,399
AUTOMATIC DATA PROCESSING	42,670	47,160
JOHNSON & JOHNSON	72,210	73,068

Name of Stock	End of Year Book Value	End of Year Fair Market Value
L3 COMMUNICATIONS HLDG CORP	26,154	32,128
LABORATORY AMER HLDGS	44,393	45,990
LABORATORY AMER HLDGS	26,514	26,280

TY 2008 Investments - Land Schedule**Name:** STEPHENSON POPE BABCOCK FOUNDATION**EIN:** 56-2000456

TY 2008 Land, Etc. Schedule**Name:** STEPHENSON POPE BABCOCK FOUNDATION**EIN:** 56-2000456

TY 2008 Other Expenses Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION

EIN: 56-2000456

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MEALS	2,913	2,913		2,913

TY 2008 Other Liabilities Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION

EIN: 56-2000456

Description	Beginning of Year - Book Value	End of Year - Book Value
DUE TO BRUCE BABCOCK		

TY 2008 Taxes Schedule

Name: STEPHENSON POPE BABCOCK FOUNDATION

EIN: 56-2000456

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAXES				