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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

2009

For calendar year 2009, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

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

Name of foundation: SCHWAB-RAINESS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 5796 Room/suite

City or town, state, and ZIP code: HARRISBURG PA 17110

A Employer identification number: 23-6401901

B Telephone number (see page 10 of the instructions): 717-233-8083

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) ▶ $ 4,464,300

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 page 11 of the instructions))

	Line	Description	(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)	153,333			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	11,079	11,079		
	4	Dividends and interest from securities	179,878	179,878		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,082,543			
	b	Gross sales price for all assets on line 6a 1,726,436				
	7	Capital gain net income (from Part IV, line 2)		1,082,543		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & 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	1,426,833	1,273,500	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) STMT 1	5,500	1,650		3,850
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 2	8,015	1,028		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 3	5,826	2,905		2,921
	24	**Total operating and administrative expenses.** Add lines 13 through 23	19,341	5,583		6,771
	25	Contributions, gifts, grants paid	266,432			266,432
	26	**Total expenses and disbursements.** Add lines 24 and 25	285,773	5,583	0	273,203
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	1,141,060			
	b	**Net investment income** (if negative, enter -0-)		1,267,917		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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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	25,452	11,783	11,783
2	Savings and temporary cash investments	238,321	221,490	221,490
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 page 16 of the instructions)			
7	Other notes and loans receivable (att 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) SEE STMT 4	1,605,167	2,808,588	3,956,028
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule) SEE STATEMENT 5	325,000	275,000	274,999
14	Land, buildings, and equipment basis ▶			
	Less: accumulated depreciation (attach sch) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,193,940	3,316,861	4,464,300
Liabilities				
17	Accounts payable and accrued expenses			
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	2,193,940	3,316,861	
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see page 17 of the instructions)	2,193,940	3,316,861	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,193,940	3,316,861	

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	2,193,940
2	Enter amount from Part I, line 27a	2	1,141,060
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,335,000
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	18,139
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,316,861

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 WORKSHEET			
b				
c				
d				
e				

	(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)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	1,082,543
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 pages 13 and 17 of 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 page 18 of 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))
2008	221,235	4,965,482	0.044555
2007	202,645	5,141,179	0.039416
2006	321,505	4,624,862	0.069517
2005	363,964	4,156,605	0.087563
2004	254,868	3,680,340	0.069251

2 **Total** of line 1, column (d)	2	0.310302
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	0.062060
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,884,474
5 Multiply line 4 by line 3	5	241,070
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12,679
7 Add lines 5 and 6	7	253,749
8 Enter qualifying distributions from Part XII, line 4	8	273,203

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of 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	1	12,679
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	12,679
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	12,679
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a — 5,500		
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	5,500
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	7,179
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
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		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	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			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
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? If "Yes," attach a detailed description of the activities	2		X
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? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		X
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	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ PA			
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? If "No," attach explanation	8b	X	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ ISRAEL SCHWAB Telephone no ▶ 717-233-8083
3525 N. 6TH STREET
Located at ▶ HARRISBURG, PA ZIP+4 ▶ 17110

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 page 20 of the instructions)?	N/A	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 2009?		1c		X
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	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 page 20 of the instructions)	N/A	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?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 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 2009)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
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 2009?		4b		X

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 page 22 of the 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

b 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 page 22 of the instructions)? N/A | 5b |
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | Yes: | No: X |
If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b |

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 page 22 of 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 STATEMENT 7				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of 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
NONE				

Total number of other employees paid over $50,000 ▶

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of 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	3,910,454
b	Average of monthly cash balances	1b	33,174
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	3,943,628
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	3,943,628
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	59,154
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,884,474
6	**Minimum investment return.** Enter 5% of line 5	6	194,224

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	194,224
2a	Tax on investment income for 2009 from Part VI, line 5 — 2a: 12,679		
b	Income tax for 2009 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	12,679
3	Distributable amount before adjustments Subtract line 2c from line 1	3	181,545
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	181,545
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	181,545

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	273,203
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	273,203
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	12,679
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	260,524

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7					181,545
2 Undistributed income, if any, as of the end of 2009					
a Enter amount for 2008 only					
b Total for prior years 20 ____ , 20 ____ , 20 ____					
3 Excess distributions carryover, if any, to 2009					
a From 2004	52,759				
b From 2005	332,992				
c From 2006	96,214				
d From 2007					
e From 2008					
f **Total** of lines 3a through e		481,965			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 273,203					
a Applied to 2008, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2009 distributable amount					181,545
e Remaining amount distributed out of corpus		91,658			
5 Excess distributions carryover applied to 2009 (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		573,623			
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 page 27 of the instructions					
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)		52,759			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a		520,864			
10 Analysis of line 9.					
a Excess from 2005	332,992				
b Excess from 2006	96,214				
c Excess from 2007					
d Excess from 2008					
e Excess from 2009	91,658				

Part XIV Private Operating Foundations (see page 27 of 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 2009, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 foundation had $5,000 or more in assets at any time during the year—see page 28 of 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))

N/A

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.

N/A

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of 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

ISRAEL SCHWAB 717-233-8083
P.O. BOX 5796 HARRISBURG, PA 17110

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

SEE STATEMENT 8

c Any submission deadlines

APPLICATIONS ARE ACCEPTED AT ANY TIME.

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	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
a Paid during the year				
SEE SCHEDULE	N/A	PUBLIC	ORGANIZATIONS' EXEMPT PURPOSE	266,432
Total			▶ **3a**	266,432
b Approved for future payment				
N/A				
Total			▶ **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	11,079	
4 Dividends and interest from securities			14	179,878	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,082,543	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		1,273,500	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 1,273,500

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
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?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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 foundation 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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

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
N/A		

Sign Here

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

X [signature] Signature of officer or trustee | X 8/3/10 Date | Secretary/Treasurer Title

Paid Preparer's Use Only

Preparer's signature [signature]	Date 07/22/10	Check if self-employed ☐	Preparer's identifying number (see Signature on page 30 of the instructions) P00528866
Firm's name (or yours if self-employed), address, and ZIP code	MARTIN M. SACKS & ASSOCIATES 4775 LINGLESTOWN ROAD HARRISBURG, PA 17112		EIN 23-1979781 Phone no 717-657-1300

DAA

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, or 990-PF.

OMB No 1545-0047

2009

Name of the organization	Employer identification number
SCHWAB-RAINESS FOUNDATION	23-6401901

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 an organization 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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 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 (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions 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 990-EZ that received from any one contributor, during the year, 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. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box in the heading of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
SCHWAB-RAINESS FOUNDATION	23-6401901

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	D & H DISTRIBUTING COMPANY 2525 N. SEVENTH STREET HARRISBURG PA 17110	$ 90,000	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	JARB POST OFFICE BOX 5796 HARRISBURG PA 17110	$ 19,863	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution)
3	D & H CARES 2525 N. SEVENTH STREET HARRISBURG PA 17110	$ 43,470	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization: SCHWAB-RAINESS FOUNDATION

Employer identification number: 23-6401901

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
2	667 SHARES MICROSOFT CORP	$ 19,863	11/19/09

(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
		$	

Form **990-PF** | **Capital Gains and Losses for Tax on Investment Income** | **2009**

For calendar year 2009, or tax year beginning , and ending

Name	Employer Identification Number
SCHWAB-RAINESS FOUNDATION	23-6401901

	(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)
(1)	ABBOTT LABORATORIES	P	VARIOUS	10/08/09
(2)	BANCO SANTANDER SA	P	02/04/09	09/11/09
(3)	BANK NEW YORK MELLON CORP	P	VARIOUS	09/11/09
(4)	CH ENERGY GROUP	P	VARIOUS	07/06/09
(5)	CH ENERGY GROUP	P	VARIOUS	07/23/09
(6)	CAPITAL ONE FINANCIAL CORP	P	08/16/95	10/08/09
(7)	CAPITAL ONE FINANCIAL CORP	P	08/16/95	10/23/09
(8)	CHEVRON TEXACO CORP	P	01/16/03	08/26/09
(9)	CITIGROUP	P	VARIOUS	VARIOUS
(10)	COCA COLA	P	VARIOUS	07/06/09
(11)	COCA COLA	P	VARIOUS	11/16/09
(12)	CONOCO PHILLIPS	P	VARIOUS	10/08/09
(13)	CONOCO PHILLIPS	P	VARIOUS	12/10/09
(14)	CONSTELLATION ENERGY	P	03/19/96	09/01/09
(15)	DOW CHEMICAL	P	VARIOUS	11/16/09

	(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)
(1)	23,126		4,545	18,581
(2)	4,893		7,192	-2,299
(3)	8,194		7,066	1,128
(4)	23,768		16,875	6,893
(5)	24,768		20,755	4,013
(6)	22,297		6,309	15,988
(7)	25,022		6,309	18,713
(8)	10,563		5,293	5,270
(9)	86,073		115,837	-29,764
(10)	39,042		3,791	35,251
(11)	45,219		3,791	41,428
(12)	27,835		9,472	18,363
(13)	25,305		13,511	11,794
(14)	31,616		27,254	4,362
(15)	8,525		8,476	49

	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	
(1)				18,581
(2)				-2,299
(3)				1,128
(4)				6,893
(5)				4,013
(6)				15,988
(7)				18,713
(8)				5,270
(9)				-29,764
(10)				35,251
(11)				41,428
(12)				18,363
(13)				11,794
(14)				4,362
(15)				49

Capital Gains and Losses for Tax on Investment Income

Form **990-PF** — **2009**

For calendar year 2009, or tax year beginning , and ending

Name: SCHWAB-RAINESS FOUNDATION

Employer Identification Number: 23-6401901

	(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)
(1)	E I DUPONT	P	VARIOUS	08/06/09
(2)	EDISON INTERNATIONAL	P	VARIOUS	08/26/09
(3)	EXELON	P	12/31/86	10/23/09
(4)	EXELON	P	12/31/86	12/10/09
(5)	FAIRPOINT COMMUNICATIONS	P	04/04/08	07/09/09
(6)	FERRELLGAS PARTNERS LP	P	02/24/04	07/07/09
(7)	HANESBRAND INC	P	09/05/06	07/15/09
(8)	IBI INCOME FD - CAD	P	03/01/06	07/14/09
(9)	IMPERIAL TOBACCO	P	10/07/96	07/31/09
(10)	IBM	P	02/07/02	07/20/09
(11)	JP MORGAN CHASE & CO	P	12/31/86	
(12)	MARATHON OIL CORP	P	VARIOUS	11/09/09
(13)	OCCIDENTAL PETROLEUM	P	VARIOUS	
(14)	PHILLIP MORRIS INTL	P	04/03/08	09/16/09
(15)	PHILLIP MORRIS INTL	P	04/03/08	11/09/09

	(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)
(1)	25,032		20,491	4,541
(2)	33,903		15,560	18,343
(3)	24,881		3,219	21,662
(4)	25,369		3,219	22,150
(5)	4		18	-14
(6)	3,773		5,821	-2,048
(7)	1,493		905	588
(8)	22,153		20,045	2,108
(9)	28,368		7,839	20,529
(10)	23,103		6,686	16,417
(11)	179,604		19,403	160,201
(12)	17,095		13,451	3,644
(13)	254,859		36,123	218,736
(14)	56,813		12,562	44,251
(15)	29,743		9,461	20,282

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				4,541
(2)				18,343
(3)				21,662
(4)				22,150
(5)				-14
(6)				-2,048
(7)				588
(8)				2,108
(9)				20,529
(10)				16,417
(11)				160,201
(12)				3,644
(13)				218,736
(14)				44,251
(15)				20,282

Form **990-PF** | **Capital Gains and Losses for Tax on Investment Income** | **2009**

For calendar year 2009, or tax year beginning , and ending

Name	Employer Identification Number
SCHWAB-RAINESS FOUNDATION	23-6401901

	(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)
(1)	REYNOLDS AMERICAN INC	P	VARIOUS	07/28/09
(2)	SEI INVESTMENTS	P	VARIOUS	08/12/09
(3)	SARA LEE CORP	P	VARIOUS	10/23/09
(4)	SOVEREIGN BANK	P	02/01/05	02/04/09
(5)	3M COMPANY	P	02/02/98	07/30/09
(6)	TRAVELERS COMPANIES	P	03/21/02	07/28/09
(7)	UGI CORP	P	11/05/98	09/08/09
(8)	USEC INC	P	VARIOUS	07/15/09
(9)	USEC INC	P	VARIOUS	09/11/09
(10)	UNITED TECHNOLOGIES	P	09/08/86	VARIOUS
(11)	UNUM PROVIDENT CORP	P	VARIOUS	VARIOUS
(12)	WASHINGTON REAL EST TRUST	P	07/23/85	08/12/09
(13)	WYETH	P	11/30/93	10/16/09
(14)	WELLS FARGO	P	01/02/09	08/26/09
(15)	MIDFIRST BANK	P	07/14/08	07/14/09

	(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)
(1)	26,633		9,661	16,972
(2)	19,259		234	19,025
(3)	9,510		4,704	4,806
(4)	2,517		7,192	-4,675
(5)	27,911		8,150	19,761
(6)	4,045		5,000	-955
(7)	38,575		11,966	26,609
(8)	6,025		15,877	-9,852
(9)	5,085		15,877	-10,792
(10)	184,336		14,633	169,703
(11)	86,336			86,336
(12)	20,485		6,483	14,002
(13)	60,474		12,837	47,637
(14)	2,771			2,771
(15)	50,000		50,000	

	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	
(1)				16,972
(2)				19,025
(3)				4,806
(4)				-4,675
(5)				19,761
(6)				-955
(7)				26,609
(8)				-9,852
(9)				-10,792
(10)				169,703
(11)				86,336
(12)				14,002
(13)				47,637
(14)				2,771
(15)				

Form 990-PF Capital Gains and Losses for Tax on Investment Income 2009

For calendar year 2009, or tax year beginning , and ending

Name	Employer Identification Number
SCHWAB-RAINESS FOUNDATION	23-6401901

	(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)
(1)	WACHOVIA BANK	P	05/23/08	05/23/09
(2)	BANCO SANTANDER CASH IN LIEU	P	VARIOUS	VARIOUS
(3)	BANK OF AMERICA CASH IN LIEU	P	VARIOUS	VARIOUS
(4)	CITIGROUP CASH IN LIEU	P	VARIOUS	VARIOUS
(5)	WELLS FARGO CASH IN LIEU	P	VARIOUS	VARIOUS
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

	(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)
(1)	50,000		50,000	
(2)	4			4
(3)	7			7
(4)	2			2
(5)	22			22
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				
(2)				4
(3)				7
(4)				2
(5)				22
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MARTIN M. SACKS $ ASSOC., CPA'S	$	$	$	$
ACCTG SRVCS/PREP OF FORM 990-PF	5,500	1,650		3,850
TOTAL	$ 5,500	$ 1,650	$ 0	$ 3,850

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FED'L EXCISE TAX ON NET INV INC	$ 6,987	$	$	$
FOREIGN TAX WITHHELD ON DIVIDEND	1,028	1,028		
TOTAL	$ 8,015	$ 1,028	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
OFFICE SERVICES	5,811	2,905		2,906
PA FILING FEE	15			15
TOTAL	$ 5,826	$ 2,905	$ 0	$ 2,921

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
AEGON N.V.7.25% PFD	$ 40,000	$ 40,000		$ 31,664
AES CORP	24,588	24,588		33,275
AT&T CORP	36,150	36,150		64,273
ABBOTT LABORATORIES	4,545			

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ALLEGHENY ENERGY INC	$ 9,875	$ 9,875		$ 23,480
ALLIED IRISH BKS PLC SPON ADR	13,045	13,045		19,305
ALTRIA GROUP INC	13,810	13,810		47,112
BANK NEW YORK INC	7,066			
BANK OF AMERICA CORP	40,000	12,000		11,656
BANK OF AMERICA CORP 8.200% PFD		28,000		27,070
BANK OF AMERICA CORP 8.625% PFD		50,000		49,080
CH ENERGY GROUP INC	37,630			
CAPITAL ONE FINL CORP	12,618			
CHEVRONTEXACO CORP	5,293			
CITIGROUP CAPITAL XX	40,000			
CITIGROUP INC	56,363	20,527		19,860
CITIGROUP PFD	40,000			
COCA COLA CO	7,583			
CONOCO PHILLIPS	22,983			
CONSTELLATION ENERGY GROUP	27,254			
DOMINION RESOURCES INC VA NEW	5,072	5,072		38,842
DOW CHEMICAL CO	8,476			
EI DUPONT DE NEMOURS & CO	84,835	64,343		53,872
EDISON INTERNATIONAL	15,560			
EL PASO CORP	47,560	47,560		58,980
ENBRIDGE ENERGY PARTNERS LP		50,980		53,690
ENTERPRISE PRODS PARTNERS LP		26,500		38,948
EXELON CORP	6,438			
EXXON MOBIL CORP	96,079	96,079		204,570
FAIRPOINT COMMUNICATIONS INC	18			

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FERRELLGAS PARTNERS LP	$ 5,821	$		$
FORD MOTOR CO	26,836	26,836		17,060
GENERAL ELECTRIC CO	55,335	55,335		257,210
HANESBRANDS INC	905			
HERSHA HOSPITALITY TRUST CL A	63,397	63,397		34,697
IBI INCOME FD-CAD	20,045			
IMPERIAL TOBACCO GROUP PLC	7,839			
INTL BUSINESS MACHINES CORP	13,372	6,686		26,180
JP MORGAN CHASE & CO	53,049	33,646		125,010
JOHNSON & JOHNSON	2,826	2,826		38,646
KRAFT FOODS	14,171	14,171		45,119
MFA MORTGAGE INVESTMENTS INC	24,751	24,751		29,400
MARATHON OIL CORP	29,675	16,224		46,830
MERRILL LYNCH & CO INC	50,000			
MICROSOFT CORPORATION	2,279	4,004		109,332
OCCIDENTAL PETROLEUM CORP	36,123			
PEPCO HOLDINGS INC	10,950	10,950		9,369
PHILIP MORRIS INTL	31,485	9,461		28,914
PFIZER INC.		19,779		21,500
PRUDENTIAL FINANCIAL	40,000	40,000		42,480
REYNOLDS, AMERICAN INC	20,361	10,700		37,079
RITE AID CORP	2,227	2,227		8,577
SEI INVESTMENTS CO	702	468		35,040
SARA LEE CORP	4,704			
SOVEREIGN BANCORP INC	7,192			
SUNTRUST BANKS INC	2,939	2,939		12,458

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
TECO ENERGY INC	$ 13,758	$ 13,758		$ 32,440
TEPPCO PARTNERS LP	26,500			
3M COMPANY	8,150			
TRAVELERS COMPANIES INC	5,000			
UGI CORP NEW	47,865	35,899		108,855
USEC INC	60,960	29,207		7,700
UNITED TECHNOLOGIES CORP	14,632			
UNUM PROVIDENT CORP				39,040
VERIZON COMMUNICATIONS	4,340	4,340		17,493
WACHOVIA CAPITAL TR X	40,000	40,000		40,592
WACHOVIA CORP				
WASHINGTON REAL EST INV TR SBI	19,450	12,967		41,325
WYETH	12,837			
AMERICAN FUNDS S. T. BOND FD CL A		50,228		50,339
BARCLAYS TREAS INFLATION PROT SEC FD		50,601		51,950
BARLCAYS 7-10 YR TREAS BOND FUND		53,832		53,160
BARCLAYS 1-3 YR TREAS BOND FUND		50,322		49,776
BOND FUND OF AMERICA CL A		60,910		62,817
CAPITAL INCOME BUILDER FUND CL A		51,052		54,616
CAPITAL WORLD GRWTH & INCOME FD CL A		50,448		56,128
DIAMONDS TRUST SERIES 1		33,249		41,628
DOW JONES US REAL ESTATE INDEX FD		30,493		36,736
EUROPACIFIC GROWTH FUND CL A		35,635		39,800
FUNDAMENTAL INVESTORS FUND CL A		70,450		80,668
GOLDMAN SACHS CAPTL GRWTH FND CL A	33,945	33,945		52,957
GROWTH FUND OF AMERICA CL A		70,608		79,494

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
INTERNATIONAL GRWTH & INCOME FD CL A	$	$ 61,258		$ 66,302
INVESTMENT CO. OF AMERICA FD CL A		80,838		91,425
MSCI EMERGING MKTS INDEX FUND		31,175		41,500
MORGAN STANLEY INCOME SECURITIES INC	57,905	57,905		48,030
NEW PERSPECTIVE FUND CL A		70,951		80,870
NEW WORLD FUND CL A		40,542		45,598
NUVEEN PFD & CONV INCOME FUND	30,000	30,000		14,980
OPPENHEIMER COMM STRAT TOTAL RET FD		30,000		31,658
OPPENHEIMER DEV. MARKETS FUND CL A		40,179		44,472
OPPENHEIMER GOLD & SP MINERALS FD		35,739		40,144
OPPENHEIMER INTL BOND FUND CL A		75,632		74,632
OPPENHEIMER INTL GROWTH FUND CL A		40,260		41,807
OPPENHEIMER REAL ESTATE FUND CL A		50,217		56,528
OPPENHEIMER RISING DIVIDENDS FD CL A		90,844		96,639
OPPENHEIMER QUEST OPPORT. VALUE FD		50,000		50,799
OPPENHEIMER QUEST INTL VALUE FD CL A		41,592		41,604
RUSSELL 2000 INDEX FUND		33,660		37,464
SMALLCAP WORLD FUND CL A		35,256		41,505
SPDR DOW JONES REIT ETF		49,976		73,815
TR DOW JONES SELECT DIVIDEND INDEX		39,046		43,910
TR MSCI EAFE INDEX FUND		35,869		44,224
VANGUARD REIT ETF		45,560		58,162
WASHINGTON MUTUAL INVESTORS FD CL A		81,216		91,868
TOTAL	$ 1,605,167	$ 2,808,588		$ 3,956,028

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STATE OF ISRAEL BOND VRI:	$	$		$
DUE 7/1/2009	25,000			
DUE 5/1/2015	25,000			
DUE 5/1/2015		50,000		50,000
STATE OF ISRAEL BOND:				
4.75% DUE 1/15/2011		25,000		25,000
6.35% DUE 8/1/2012		25,000		25,000
4.24% DUE 7/1/2014		25,000		24,999
4.00% DUE 1/1/2009	50,000			
4.75% DUE 1/15/2011	50,000			
4.80% DUE 1/1/2012	50,000	50,000		50,000
6.35% DUE 8/1/2012	25,000			
2.33% DUE 3/1/2010	50,000	50,000		50,000
2.55% DUE 6/1/2010	50,000	50,000		50,000
TOTAL	$ 325,000	$ 275,000		$ 274,999

Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
ADJUST FMV OF NON-CASH CONTRIBUTION TO COST BASIS	$ 18,139
TOTAL	$ 18,139

Statement 7 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
ISRAEL SCHWAB 2525 NORTH 7TH STREET	PRESIDENT	AS NEEDED	0	0	0

Federal Statements

Statement 7 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc. (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
HARRISBURG PA 17110					
ANDREW SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	SEC/TREAS	0.00	0	0	0
MICHAEL SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0
DANIEL SCHWAB P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0
AMY SILFEN P.O. BOX 5796 HARRISBURG PA 17110	TRUSTEE	0.00	0	0	0

Statement 8 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
A LETTER STATING REQUEST FOR FUNDS AND EXPLANATION OF NEED.

SCHWAB-RAINESS FOUNDATION

23-6401901

FORM 990-PF - 2009

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
All 4 Israel 59 Bascom Place State Island, NY 10314	$1,000.00
American Cancer Society 3211 N. Front Street, Ste 100 Harrisburg, PA 17110	4,307.00
American Jewish Committee The Jacob Blaustein Building 165 East 56th St. New York, NY 10022	375.00
Anti-Defamation League PO Box 96226 Washington, DC 20090-6226	5,035.00
Arthritis Foundation 3544 N. Progress Avenue, Ste 204 Harrisburg, PA 17110	500.00
Autism Society of America Greater Harrisburg Chapter PO Box 101 Enola, PA 17028	6,750.00
Beth El Congregation 8101 Park Heights Avenue Baltimore, MD 21208-1799	900.00
Beth El Temple 2637 N. Front St. Harrisburg, PA 17110	1,535.00
B'nai B'rith International 1640 Rhode Island Avenue Washington, DC 20036-3278	150.00
Caitlin's Smile 3303 N. Sixth Street Harrisburg, PA 17110	150.00
Chatham College Annual Fund Woodland Road Pittsburgh, PA 15232-2826	300.00

SCHWAB-RAINESS FOUNDATION

23-6401901

FORM 990-PF - 2009

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Chisuk Emuna Congregation PO Box 5507 Harrisburg, PA 17110	7,090.00
Colonial School District 230 Flourtown Plymouth Meeting, PA 19462	2,500.00
Cultural Entrichment Fund PO Box 12084 Harrisburg, PA 17108-2084	2,500.00
Development Corporation of Israel 1866-A Reisterstown Road Baltimore, MD 21208	300.00
Greenpeace PO Box 90136 Fredericksburg, VA 22404-9952	150.00
Gretna Theatre 4830 Londonderry Road Harrisburg, PA 17109	1,000.00
Hadassah Harrisburg Chapter 3432 Green Street Harrisburg, PA 17011	1,000.00
Hebrew Immigrant Aid Society World Headquarters 333 Seventh Avenue New York, NY 10001-5004	250.00
Jake Gittlen Cancer Institute 4331 S. Victoria Way Harrisburg, PA 17112	1,450.00
Jewish Community Center-Harrisburg 3301 N. Front Street Harrisburg, PA 17110	100.00
Jewish Comm Foundation of Greater Harrisburg 3301 N. Front Street Harrisburg, PA 17110	1,375.00

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Jewish Fed. of Greater Harrisburg 3301 N. Front Street Harrisburg, PA 17110	111,685.00
Leukemia & Lymphona Society 800 Corporate Circle, Ste 100 Harrisburg, PA 17110	2,500.00
Levindale Auxiliary Inc. 2343 West Belvedere Avenue Baltimore, MD 21215	500.00
March of Dimes Central Division 160 S. Progress Avenue, 1C Harrisburg, PA 17109	380.00
National Multiple Sclerosis Society Central Pennsylvania Chapter 2209 Forest Hills Drive #18 Harrisburg, PA 17112	2,500.00
Odyssey Foundation 95 Pine Street, 17th Floor New York, NY 10005	1,000.00
Penn State Hershey Cancer Institute Penn State University PO Box 852 Hershey, PA 17033	10,000.00
Penn State Hillel Foundation for Jewish Campus L 212 Eisenhower Chapel University Park, PA 16802	500.00
Penridge FISH 306 N. 5th Street Building 3 Rear Perkasie, PA 18944	500.00
Phi Sigma Delta 1423 N. Atherton St. State College, PA 16803	25,000.00

SCHWAB-RAINESS FOUNDATION

23-6401901

FORM 990-PF - 2009

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
Pikesville Volunteer Fire Co. 40 E. Sudbrook Lane Pikesville, MD 21208	150.00
Rabbi David L. Silver Yeshiva Academy PO Box 5285 Harrisburg, PA 17110	10,000.00
Rejoice, Inc. 1800 State Street Harrisburg, PA 17103	500.00
Ronald McDonald House Charities 745 West Governor Road Hershey, PA 17033	10,000.00
Shriners Hospital for Children 3551 North Broad Street Philadelphia, PA 19140	10,000.00
Simon Wiesenthal Center 1399 S. Roxbury Drive Los Angeles, CA 90035	250.00
Southern Poverty Law Center 400 Washington Ave Montgomery, AL 36104	1,000.00
Susquehanna Tzedakah Society 3301 N. Front Street Harrisburg, PA 17110	5,000.00
The Associated Jewish Comm Fed - Baltimore 101 W. Mount Royal Avenue Baltimore, MD 21201	2,200.00
University of Maryland College Park Foundation Inc. 2108 Mitchell Building College Park, MD 20742	3,750.00
University of Pennsylvania 3451 Walnut Street 601 Franklin Building Philadelphia, PA 19104	30,000.00

SCHWAB-RAINESS FOUNDATION

23-6401901

FORM 990-PF - 2009

PART XV, LINE 3a, CONTRIBUTIONS PAID DURING THE YEAR

Donee	Amount
William Barowsky Memorial Fund 1160 Dickinson Street Springfield, MA 01108	100.00
WITF, Inc. 1982 Locust Lane Harrisburg, PA 17109	200.00
	$266,432.00

Form **8868** (Rev April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit www irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return See instructions	SCHWAB-RAINESS FOUNDATION	23-6401901
	Number, street, and room or suite no If a P O box, see instructions P.O. BOX 5796	
	City, town or post office, state, and ZIP code For a foreign address, see instructions HARRISBURG PA 17110	

Check type of return to be filed (file a separate application for each return)·

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶

Telephone No. ▶ FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15/10 , to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ [X] calendar year 2009 or
▶ [ ] tax year beginning , and ending

2 If this tax year is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 0
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 0
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions