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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

OMB No 1545-0052

2009

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

For calendar year 2009, or tax year beginning

, 2009, and ending

, 20

G Check all that apply

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeUse the IRS
label.Otherwise,
print
or type.See Specific
Instructions.

Name of foundation

REYNOLDS AMERICAN FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

P.O. BOX 2959

City or town, state, and ZIP code

WINSTON-SALEM, NC 27102-2959

A Employer identification number

58-1681920

B Telephone number (see page 10 of the instructions)

(336) 741-5315

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) \$ 63,355,849.

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))(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

1	Contributions, gifts, grants, etc., received (attach schedule)	5,000,000.			
2	Check ☐ if the foundation is not required to attach Sch. B.				
3	Interest on savings and temporary cash investments	750.	750.		ATCH 1
4	Dividends and interest from securities	1,558,221.	1,627,257.		ATCH 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	7,188,313.			
b	Gross sales price for all assets on line 6a	46,686,840.			
7	Capital gain net income (from Part IV, line 2)		0.		
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	13,747,284.	1,628,007.		
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)				
c	Other professional fees (attach schedule) *	51,290.	45,026.		
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) *	98,214.	0.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	Total operating and administrative expenses. Add lines 13 through 23	149,504.	45,026.		
25	Contributions, gifts, grants paid	3,606,369.			2,857,903.
26	Total expenses and disbursements. Add lines 24 and 25	3,755,873.	45,026.		2,857,903.
27	Subtract line 26 from line 12.				
a	Excess of revenue over expenses and disbursements	9,991,411.			
b	Net investment income (if negative, enter -0-)		1,582,981.		
c	Adjusted net income (if negative, enter -0-)		-0-		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. * ATCH 3 JSA ** ATCH 4

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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			
	2 Savings and temporary cash investments	248,435.	46,424,766.	46,424,766.
	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 (attach schedule)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) <u>ATCH 5</u>	27,041,569.	9,229,456.	9,229,456.
	c Investments - corporate bonds (attach schedule) <u>ATCH 6</u>	14,100,701.	0.	0.
	11 Investments - land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments - mortgage loans				
13 Investments - other (attach schedule) <u>ATCH 7</u>	6,550,575.	7,694,459.	7,694,459.	
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe <u>ATCH 8</u>)	3,040,359.	7,168.	7,168.	
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	50,981,639.	63,355,849.	63,355,849.	
Liabilities	17 Accounts payable and accrued expenses	2,000.	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)	2,000.	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	50,979,639.	63,355,849.	
	30 Total net assets or fund balances (see page 17 of the instructions)	50,979,639.	63,355,849.	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	50,981,639.	63,355,849.		

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	50,979,639.
2 Enter amount from Part I, line 27a	2	9,991,411.
3 Other increases not included in line 2 (itemize) <u>ATTACHMENT 9</u>	3	2,384,799.
4 Add lines 1, 2, and 3	4	63,355,849.
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	63,355,849.

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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 ATTACHMENTS 17 & 18					
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) 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					
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 -7,783,431.		
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.			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.

(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	3,347,371.	58,273,874.	0.057442
2007	2,748,070.	65,374,668.	0.042036
2006	3,044,002.	52,495,657.	0.057986
2005	3,482,065.	50,095,262.	0.069509
2004	1,923,434.	44,205,480.	0.043511
2 Total of line 1, column (d)			2 0.270484
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 0.054097
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 53,368,670.
5 Multiply line 4 by line 3			5 2,887,085.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 15,830.
7 Add lines 5 and 6			7 2,902,915.
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 on page 18.			8 2,857,903.

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 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		1	31,660.
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	
3 Add lines 1 and 2		3	31,660.
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	31,660.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	159,414.	
b Exempt foreign organizations-tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	159,414.	
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	127,754.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax ☐ 127,754. 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?		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)? 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		X
c Did the foundation file Form 1120-POL for this year?		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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ NC,		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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)	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 ☐ STEPHEN R. STRAWSBURG Telephone no ☐ 336-741-5315			
Located at ☐ PO BOX 2959 WINSTON SALEM, NC ZIP + 4 ☐ 27102				
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)? ☐ Organizations relying on a current notice regarding disaster assistance check here ☐	1b	X
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 ☐		
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) ☐	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 ☐		
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) ☐	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

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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)? ☐ Yes ☒ No **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? ☐ 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? ☐ Yes ☒ No **6b**

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? ☐ Yes ☒ No **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
ATTACHMENT 10		0.	0.	0.

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 ☐ NONE

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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 NONE

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 23 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 N/A	
Total. Add lines 1 through 3	

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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	51,363,769.
b	Average of monthly cash balances	1b	2,817,622.
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	54,181,391.
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	54,181,391.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	812,721.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	53,368,670.
6	Minimum investment return. Enter 5% of line 5	6	2,668,434.

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	2,668,434.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	31,660.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	31,660.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,636,774.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,636,774.
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	2,636,774.

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	2,857,903.
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	2,857,903.
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	- N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,857,903.

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				2,636,774.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 07, 20 06, 20 05				
3 Excess distributions carryover, if any, to 2009				
a From 2004	0.			
b From 2005	1,054,682.			
c From 2006	487,881.			
d From 2007	0.			
e From 2008	487,922.			
f Total of lines 3a through e	2,030,485.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 2,857,903.				
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				2,636,774.
e Remaining amount distributed out of corpus	221,129.			
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	2,251,614.			
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				
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)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	2,251,614.			
10 Analysis of line 9.				
a Excess from 2005	1,054,682.			
b Excess from 2006	487,881.			
c Excess from 2007	0.			
d Excess from 2008	487,922.			
e Excess from 2009	221,129.			

Form 990-PF (2009)

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1 a 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	
2 a 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))

NONE

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

NONE

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

ATTACHMENT 11

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

ATTACHMENT 12

c Any submission deadlines

ATTACHMENT 14

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

ATTACHMENT 13

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 ATTACHMENT 15				2,857,903.
Total.			► 3a	2,857,903.
b Approved for future payment SEE ATTACHMENT 16				1,000,000.
Total.			► 3b	1,000,000.

Form 990-PF (2009)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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					
4 Dividends and interest from securities	900003	-17,663.	14	1,576,634.	
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	900003	23,508.	18	7,164,805.	
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)		5,845.		8,741,439.	
13 Total. Add line 12, columns (b), (d), and (e) . . .					

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

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

[illegible]

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

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

[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.

Signature of officer or trustee

11/11/2010
Date

President
Title

Sign Here

Paid Preparer's Use Only	
---	--

Preparer's
signature

Firm's name (or yours if self-employed), address, and ZIP code

Date _____

11/11/10

Check if
self-employed

Preparer's identifying
number (See Signature on
page 30 of the instructions)
P00008888

FIN 13-5565207

Phone no 336-275-3394

Schedule of Contributors

OMB No 1545-0047

2009

▶ Attach to Form 990, 990-EZ, or 990-PF.

Name of the organization

REYNOLDS AMERICAN FOUNDATION

Employer identification number

58-1681920

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 on line H 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 REYNOLDS AMERICAN FOUNDATION

Employer identification number
58-1681920**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	R.J. REYNOLDS TOBACCO COMPANY 401 N. MAIN STREET WINSTON-SALEM, NC 27102	\$ 5,000,000.	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)
		\$	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)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2009

Name of estate or trust

REYNOLDS AMERICAN FOUNDATION

Employer identification number

58-1681920

Note: Form 5227 filers need to complete *only* Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					
ATTACHMENT 17	VAR	VAR	115,350.	0.	115,350.

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	(0.)
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back	5	115,350.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					
ATTACHMENT 18	VAR	VAR	46,571,490.	54,470,271.	-7,898,781.

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back	12	-7,898,781.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2009

Part III Summary of Parts I and II		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part				
13	Net short-term gain or (loss)	13		115,350.
14	Net long-term gain or (loss):			
a	Total for year	14a		-7,898,781.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		-7,783,431.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation	
16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000
16	(3,000)

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates	
Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.	
Caution: Skip this part and complete the worksheet on page 8 of the instructions if: • Either line 14b, col (2) or line 14c, col (2) is more than zero, or • Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.	
Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero.	

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,300	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ Yes. Skip lines 25 and 26, go to line 27 and check the "No" box. ☐ No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? ☐ Yes. Skip lines 27 thru 30, go to line 31 ☐ No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (15)	30	
31	Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Schedule D (Form 1041) 2009

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INTEREST INCOME	750.	750.
TOTAL	<u>750.</u>	<u>750.</u>

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
DIVIDEND/INTEREST INCOME FROM SECURITIES	1,558,221.	1,627,257.
TOTAL	<u>1,558,221.</u>	<u>1,627,257.</u>

ATTACHMENT 3

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
BANK OF NEW YORK-INVESTMENT MANAGEMENT FEES	51,290.	45,026.
TOTALS	<u>51,290.</u>	<u>45,026.</u>

ATTACHMENT 4

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FEDERAL UNRELATED BUSINESS INCOME TAX	98,214.	0.
STATE INCOME TAX	0.	0.
TOTALS	<u>98,214.</u>	<u>0.</u>

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 5

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GMO INT'L CORE FUND CL IV	9,229,456.	9,229,456.
GMO US CORE FUND	0.	0.
VANGUARD CAP OPP FUND	0.	0.
TOTALS	<u>9,229,456.</u>	<u>9,229,456.</u>

FORM 990PF, PART II - CORPORATE BONDS

ATTACHMENT 6

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
--------------------	------------------------------	-----------------------

PIMCO TOTAL RETURN FUND INSTL

0. 0.

TOTALS

0. 0.

FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>ATTACHMENT 7</u>	
	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ARCHSTONE PARTNERS, LP	7,694,459.	7,694,459.
TOTALS	<u>7,694,459.</u>	<u>7,694,459.</u>

FORM 990PF, PART II - OTHER ASSETS

ATTACHMENT 8

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ACCRUED INCOME - BANK OF NY CONTRIBUTION RECEIVABLE	7,168. 0.	7,168. 0.
TOTALS	<u>7,168.</u>	<u>7,168.</u>

ATTACHMENT 9FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCESDESCRIPTIONAMOUNT

UNREALIZED GAINS ON FUND BALANCES

2,384,799.

TOTAL

2,384,799.

REYNOLDS AMERICAN FOUNDATION

58-1681920

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 10

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
-------------------------	---	---------------------	--	--

STEPHEN R. STRAWSBURG
PO BOX 2959
WINSTON-SALEM, NC 27102

PRESIDENT
5.00

0.

0.

0.

NANCY HAWLEY
PO BOX 2959
WINSTON-SALEM, NC 27102

DIRECTOR
.25

0.

0.

0.

NANCY STURGEON
PO BOX 2959
WINSTON-SALEM, NC 27102

DIRECTOR
.25

0.

0.

0.

JIM BECKETT
PO BOX 2959
WINSTON-SALEM, NC 27102

DIRECTOR
.25

0.

0.

0.

JUDY LAMBETH
PO BOX 2959
WINSTON-SALEM, NC 27102

DIRECTOR
.25

0.

0.

0.

WILLIAM NANCE
PO BOX 2959
WINSTON-SALEM, NC 27102

VICE PRESIDENT
1.00

0.

0.

0.

REYNOLDS AMERICAN FOUNDATION

58-1681920

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 10 (CONT'D)

CONTRIBUTIONS
TO EMPLOYEE
BENEFIT PLANS

EXPENSE ACCT
AND OTHER
ALLOWANCES

COMPENSATION

TITLE AND AVERAGE HOURS PER
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

DAN FAWLEY
PO BOX 2959
WINSTON-SALEM, NC 27102

TREASURER
.25

0.

0.

0.

FRED FRANKLIN
PO BOX 2959
WINSTON-SALEM, NC 27102

SECRETARY
.25

0.

0.

0.

GRAND TOTALS

0.

0.

0.

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

STEPHEN R. STRAWSBURG, PRESIDENT
REYNOLDS AMERICAN FDN, PO BOX 2959
WINSTON-SALEM, NC 27102
336-741-5315

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

APPLICATIONS SHOULD BE SUBMITTED IN WRITTEN FORM WITH THE ORGANIZATION'S SECTION 501(C)(3) EXEMPTION LETTER ATTACHED. APPLICANTS SHOULD PROVIDE A DESCRIPTION OF THE ACTIVITY FOR WHICH MONEY IS NEEDED, A DESCRIPTION OF THE PROPOSED PROJECT, AND A LIST OF THE ORGANIZATION'S BOARD OF DIRECTORS. FOR ADDITIONAL DETAILS AND REQUIREMENTS SEE WWW.RJRT.COM/FNDNGGUIDE.ASPX (ALL LOWER CASE).

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

AWARDS GENERALLY DIRECTED TOWARDS EDUCATION, ARTS, AND ECONOMIC/
COMMUNITY DEVELOPMENT.

REYNOLDS AMERICAN FOUNDATION

EIN: 58-1681920

FOR THE YEAR ENDED 12/31/2009

FORM 990-PF, PART XV, LINE 2 C-D SUPPLEMENTAL INFORMATION

Community Involvement

Reynolds American Foundation Guidelines for Giving

R J Reynolds Tobacco Company (R J Reynolds) is proud of the fact that it has been a responsible corporate citizen of North Carolina for more than 130 years. In a tradition established by the company's founder, Richard Joshua Reynolds, R J Reynolds remains committed to using its resources to enhance the quality of life in the communities where employees live and work.

Grant Categories

The Reynolds American Foundation focuses its contribution resources in communities where significant numbers of Reynolds American Inc. and R J Reynolds employees live and work. Grants will be made for one year only, applicants must reapply for additional funding. Grants are awarded in the following areas:

- Birth-12 Public Education – Public-school and community programs that prepare children to enter school ready to learn and programs that primarily focus on improving academic performance of low-performing and economically disadvantaged students. Except for business-partner relationships, all school grants are made through the superintendents' offices. Individual day-care centers are not eligible for grants.
- Local Community Campaigns – Support for United Way and Arts Council campaigns in target communities.
- Employee-Directed Giving – Programs to encourage employee community support through the foundation's Matching Grants Program, the Community Involvement Plan, the Leadership in Education Program and the Scholarship Program for children of employees and retirees.

R J Reynolds has designated certain resources for other grants, sponsorships and in-kind contributions.

Eligibility

To be eligible for funding consideration, an applicant must generally be:

- A nonprofit agency with tax-exempt status under section 501(c)(3) of the Internal Revenue Code or an appropriate government agency,
- Serving residents in communities where significant numbers of Reynolds American Inc. and R J Reynolds employees live and/or work, and,
- Operated and organized so that it does not discriminate on the basis of race, religion, gender, national origin, sexual orientation, age, or disability, in terms of hiring practices, service provisions or board-member selection.

Limitations

The Foundation will not generally consider funding requests for the following:

- Endowments,
- Support for individuals,
- General operating expenses,
- Requests from churches,
- Programs that promote religious doctrine,
- Requests for political candidates and organizations,
- Requests for travel expenses for individuals or organizations,
- Sponsorship of most special events, and,

Our Values

- Request for programs that have already received support from the Reynolds American Foundation or R J Reynolds for three consecutive years

Submitting your grant proposal

The Reynolds American Foundation accepts proposals throughout the year but awards grants according to the schedule below. No application form is required. Proposals should be no more than five pages and should include the following information:

- A statement of purpose and organizational objectives.
- A description of the problem, need or issue the proposal seeks to address.
- A complete description of the proposed project. This includes goals, objectives, geographic area and population served by the project, timeline, staffing, evaluation, budget, and sources of current and future funding.
- A cover letter, signed by either the chief executive officer or an authorized person of the organization that includes a summary of the proposed project, the issue to be addressed, the amount requested, and the name and phone number of the appropriate contact person.
- The Internal Revenue Service letter confirming the organization's 501(c)(3) status, and,
- A list of the organization's board of directors and officers.

Grant proposals should be mailed to:

Reynolds American Foundation
P O Box 2959
Plaza Building - 15th Floor
Winston-Salem, NC 27102-2959

Proposal Cycle

The Reynolds American Foundation awards grants on a quarterly basis according to the following schedule:

Completed Proposal

Received By:	Initial Review By:	Final Review By:	Agency Notification By:
February 1	March 1	March 15	March 31
May 1	June 1	June 15	June 30
August 1	September 1	September 15	September 30
November 1	December 1	December 15	December 31

REYNOLDS AMERICAN FOUNDATION
EIN: 56-1950120
FOR THE YEAR ENDED 12/31/2009
FORM 990-PF, PART XV, SUPPLEMENTAL INFORMATION

RECIPIENT	FOUNDATION STATUS OF RECIPIENT	PURPOSE	AMOUNT
ARTS COUNCIL INC	IRC 509(a)(1)	Charitable Activities	600,000
ARTSECHO	IRC 509(a)(1)	Charitable Activities	6,000
ASOCIACION MAYAGUEZANA DE PERSONAS CON IMPEDIMENTOS, INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	5,000
B H THARRINGTON PRIMARY SCHOOL	Governmental	Charitable Activities	1,000
CARTER G WOODSON SCHOOL	Governmental	Charitable Activities	26,250
C B ELLER ELEMENTARY SCHOOL	Governmental	Charitable Activities	6,500
CENTRO DE AYUDA Y TERAPIA AL NINO CON IMPEDIMENTO INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	10,000
CENTRO DEL TRUINFO, INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	7,500
CHESTNUT GROVE MIDDLE SCHOOL	Governmental	Charitable Activities	5,212
CHILDRENS MUSEUM OF WINSTON	IRC 509(a)(1)	Charitable Activities	5,000
COMITE CABORROJENO PRO SALUD Y AMBIENTE, INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	10,000
CORALATIONS INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	14,258
DAVIE COMMUNITY FOUNDATION	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	12,000
DAVIE COUNTY ARTS COUNCIL	IRC 509(a)(1)	Charitable Activities	15,000
DAVIE COUNTY UNITED WAY INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	25,000
EXPERIMENT IN SELF RELIANCE	IRC 509(a)(1)	Charitable Activities	100,000
FORSYTH TECHNICAL COMMUNITY COLLEGE	IRC 170(b)(1)(A)(iv)/509(a)(1)	Charitable Activities	250,000
FRIENDS OF THE WESTERN ROCKINGHAM CO LIBRARIES	IRC 509(a)(2)	Charitable Activities	15,000
FUNDACION NACIONAL PARA LA CULTURA POPULAR	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	8,000
HORIZONS RESIDENTIAL CARE CENTER	IRC 509(a)(2)	Charitable Activities	18,816
HOSPICE & PALLIATIVE CARE CENTER	IRC 509(a)(2)	Charitable Activities	100,000
HUGH CHATHAM MEMORIAL HOSPITAL	IRC 170(b)(1)(A)(III)/509(a)(1)	Charitable Activities	25,000
IBRAHAM AERONAUTICS ACADEMY	Governmental	Charitable Activities	3,000
INICIATIVA COMUNITARIA DE INVESTIGACION, INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	17,000
NINOS DE NUEVA ESPERANZA, INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	7,860
NORTH CAROLINA SHAKESPEARE FESTIVAL	IRC 509(a)(2)	Charitable Activities	25,000
SMART START OF FORSYTH COUNTY	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	9,000
STOKES COUNTY ARTS COUNCIL	IRC 509(a)(1)	Charitable Activities	15,000
UNITED FUND OF STOKES COUNTY	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	15,000
UNITED FUND OF SURRY INC	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	20,000
UNITED NEGRO COLLEGE FUND INC	IRC 509(a)(1)	Charitable Activities	25,000
UNITED WAY OF FORSYTH COUNTY	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	750,000
UNIVERSIDAD DEL SAGRADO CORAZON INC	Governmental	Charitable Activities	18,000
WAKE FOREST UNIV SCH OF MED	IRC 170(b)(1)(A)(II)/509(a)(1)	Charitable Activities	83,465
WINSTON-SALEM ARTS COUNCIL	IRC 170(b)(1)(A)(iv)/509(a)(1)	Charitable Activities	520,000
WINSTON-SALEM CHILDREN'S CHORUS	IRC 509(a)(2)	Charitable Activities	8,000
WINSTON-SALEM/FORSYTH COUNTY SCHOOLS	Governmental	Charitable Activities	61,252
WINSTON SALEM STREET SCHOOL	IRC 170(b)(1)(A)(vi)/509(a)(1)	Charitable Activities	4,790
WINSTON SALEM SYMPHONY ASSOC	IRC 509(a)(1)	Charitable Activities	10,000
TOTAL GRANTS PAID			2,857,903

REYNOLDS AMERICAN FOUNDATION

EIN: 58-1681920

FOR THE YEAR ENDED 12/31/2009

FORM 990-PF, PART XV, LINE 3B - SUPPLEMENTAL INFORMATION

=====

RECIPIENT	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
-----	-----	-----	-----
UNITED WAY WOMEN'S LEADERSHIP COUNCIL	IRC 509 (a) (1)	CHARITABLE ACTIVITIES	\$ 700,000 3 YEARS REMAINING 2010-2012
ARTS COUNCIL OF WINSTON-SALEM/FORSYTH COUNTY	IRC 509 (a) (1)	CHARITABLE ACTIVITIES	\$ 300,000 1 YEAR REMAINING 2010

ATTACHMENT 17

**JSA
9F0971 2 000**

ATTACHMENT 18

[illegible]

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- 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 ☐

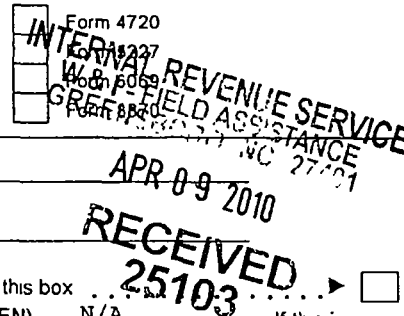
All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

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 File by the due date for filing your return. See instructions	Name of Exempt Organization REYNOLDS AMERICAN FOUNDATION	Employer identification number 58-1681920
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 2959	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WINSTON-SALEM, NC 27102-2959	

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

- | | |
|---|---|
| ☐ Form 990 | ☐ Form 990-T (corporation) |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) |
| ☒ Form 990-PF | ☐ Form 1041-A |



- The books are in the care of ▶ **STEPHEN R. STRAWSBURG**

Telephone No ▶ **336 741-5315**

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) **N/A**. 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 **08/16 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ▶ ☒ 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	\$	59,414.
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	\$	59,414.
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

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2009)

KPMG LLP 13-5565207
Greensboro, North Carolina 27401

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization REYNOLDS AMERICAN FOUNDATION	Employer identification number 58-1681920
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 2959	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WINSTON-SALEM, NC 27102-2959	

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

☐ Form 990	☒ Form 990-PF	☐ Form 1041-A	☐ Form 6069
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 4720	☐ Form 8870
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

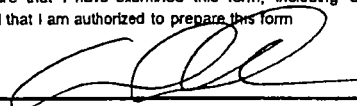
- The books are in the care of **STEPHEN R. STRAWSBURG**
Telephone No **336 741-5315** FAX No _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **N/A**. 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 is for

- 4 I request an additional 3-month extension of time until **11/15/2010**
- 5 For calendar year **2009**, or other tax year beginning _____, and ending _____
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.**

8a 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	8a	\$ 59,414.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$ 59,414.
c Balance Due. Subtract line 8b from line 8a. 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	8c	\$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature 

Title **CPA**

Date **8/11/10**

KPMG LLP
300 NORTH GREENE STREET, SUITE 400
GREENSBORO, NC 27401

Form 8868 (Rev. 4-2009)

INTERNAL REVENUE SERVICE
W&H BUILDING
GREENSBORO, NC 25109

AUG 13 2010

RECEIVED
25109