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Form 990

## Return of Organization Exempt From Income Tax

2010

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► The organization may have to use a copy of this return to satisfy state reporting requirements

## A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

C Name of organization  
COLLEGE FOUNDATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)  
PO BOX 41966

Room/suite

City or town, state or country, and ZIP + 4  
RALEIGH, NC 276291966

## D Employer identification number

56-6046937

## E Telephone number

(919) 834-2893

## G Gross receipts \$ 30,684,084

F Name and address of principal officer  
JAMES I AVETT III  
PO BOX 41966  
RALEIGH, NC 276291966

H(a) Is this a group return for affiliates?  Yes  NoH(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

I Tax-exempt status  501(c)(3)  501(c) ( ) (insert no)  4947(a)(1) or  527

J Website: ► WWW.CFNC.ORG

K Form of organization  Corporation  Trust  Association  Other ► L Year of formation 1955 M State of legal domicile NC

## Part I Summary

## 1 Briefly describe the organization's mission or most significant activities

OUR WORK TODAY MAKES A BETTER TOMORROW BY EMPOWERING PEOPLE TO ACHIEVE THEIR ACADEMIC GOALS AT JUNE 30, THE FOUNDATION WAS SERVICING A LOAN PORTFOLIO VALUED AT OVER \$3,392 MILLION AND ADMINISTERING THE NC529 PROGRAM WITH A PORTFOLIO VALUED AT OVER \$822 MILLION DURING THE TAX YEAR, STUDENTS USED THE CFNC.ORG WEBSITE TO SUBMIT OVER 458,000 APPLICATIONS TO NC COLLEGES

## 2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3	9
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	9
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	5	237
6 Total number of volunteers (estimate if necessary) . . . . .	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	0
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	0

	Prior Year		Current Year	
8 Contributions and grants (Part VIII, line 1h) . . . . .		0		8,250
9 Program service revenue (Part VIII, line 2g) . . . . .		31,967,518		30,233,557
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .		23,554		9,899
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .		210,727		154,894
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .		32,201,799		30,406,600

	Prior Year		Current Year	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .		0		8,250
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) . . . . .		16,258,633		14,958,774
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0		0
b Total fundraising expenses (Part IX, column (D), line 25) ►0				
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .		16,588,005		14,824,307
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .		32,846,638		29,791,331
19 Revenue less expenses Subtract line 18 from line 12 . . . . .		-644,839		615,269

	Beginning of Current Year		End of Year	
20 Total assets (Part X, line 16) . . . . .		53,713,529		53,394,201
21 Total liabilities (Part X, line 26) . . . . .		19,340,586		18,116,028
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .		34,372,943		35,278,173

## Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here	*****	2012-03-30
	Signature of officer	Date
JAMES I AVETT III PRESIDENT AND CEO		
Type or print name and title		

Paid Preparer Use Only	Print/Type preparer's name CHRISTOPHER DUFFUS	Preparer's signature CHRISTOPHER DUFFUS	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ► KOONCE WOOTEN & HAYWOOD LLP				Firm's EIN ►
	Firm's address ► P O BOX 17806 RALEIGH, NC 276197806				Phone no ► (919) 782-9265

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . .  Yes  No

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

OUR WORK TODAY MAKES A BETTER TOMORROW BY EMPOWERING PEOPLE TO ACHIEVE THEIR ACADEMIC GOALS WE PROVIDE FINANCIAL ASSISTANCE FOR HIGHER EDUCATION TO BENEFIT SOCIETY AND STRENGTHEN THE ECONOMY OF THE STATE OF NORTH CAROLINA

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**2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?** Yes  No

If "Yes," describe these new services on Schedule O

**3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?** Yes  No

If "Yes," describe these changes on Schedule O

**4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses**

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

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<b>4a</b>	(Code	) (Expenses \$	15,551,651	including grants of \$	) (Revenue \$	18,025,687 )
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EDUCATIONAL LOAN PROGRAMS AS OF JUNE 30, 2011, THE FOUNDATION WAS SERVICING 694,036 LOANS TO 221,826 BORROWERS WITH AN OUTSTANDING PRINCIPAL BALANCE OF \$3,392,461,949. THE FOUNDATION SERVICES LOANS FOR HIGHER EDUCATION FOR NORTH CAROLINIANS AT INSTITUTIONS OF HIGHER EDUCATION AND FOR STUDENTS ATTENDING INSTITUTIONS OF HIGHER EDUCATION IN NORTH CAROLINA. THE FOUNDATION SERVICES LOANS MADE UNDER PART B, TITLE IV OF THE HIGHER EDUCATION ACT (HEA) OF 1965, AS AMENDED, LOANS TO UNC CHAPEL HILL STUDENTS THAT HELPED TO FINANCE A COMPUTER PURCHASE, "EXTRA" EDUCATION LOANS TO BORROWERS ATTENDING SCHOOLS IN NC FOR QUALIFIED HIGHER EDUCATION EXPENSES NOT COVERED UNDER NC'S FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP), AND "EXTRA MBA" LOANS TO BORROWERS FROM THE KENAN-FLAGLER BUSINESS SCHOOL MBA OR MAC PROGRAMS AT UNC CHAPEL HILL WHO WERE UNABLE TO SECURE LOANS UNDER NC'S FFELP OR THE EXTRA EDUCATION LOAN PROGRAM

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<b>4b</b>	(Code	) (Expenses \$	7,377,637	including grants of \$	) (Revenue \$	7,365,795 )
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INFORMATION DISSEMINATION INITIATIVE THE FOUNDATION ADMINISTERS THE COLLEGE FOUNDATION OF NORTH CAROLINA (CFNC) PROGRAM TO COORDINATE INFORMATION DISSEMINATION EFFORTS TO INCREASE ACCESS TO HIGHER EDUCATION IN NORTH CAROLINA AND PROVIDE INFORMATION ON PLANNING, APPLYING, AND PAYING FOR COLLEGE THROUGH A COMPREHENSIVE WEBSITE (WWW CFNC.ORG), CALL CENTER AND PROGRAM INFORMATION SERVICES TO SCHOOLS, COLLEGES AND BUSINESSES. THE CFNC CALL CENTER RECEIVED 104,111 CALLS IN THE YEAR ENDED JUNE 30, 2011. THE PROGRAM PROVIDED 2,581 SPECIFIC PROGRAMS TO COLLEGES, K-12 SCHOOLS AND BUSINESSES, 49 NEWS RELEASES AND PUBLIC SERVICE ANNOUNCEMENTS, 2 COMMUNIQUES AND 6 OTHER NEWSLETTERS IN THE YEAR ENDED JUNE 30, 2011

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<b>4c</b>	(Code	) (Expenses \$	3,801,623	including grants of \$	) (Revenue \$	3,508,690 )
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NC 529 COLLEGE SAVINGS PROGRAM THE FOUNDATION ACTS AS AGENT FOR THE NC STATE EDUCATION ASSISTANCE AUTHORITY IN THE ADMINISTRATION OF THE STATE'S COLLEGE SAVINGS AND INVESTMENT PROGRAM WHICH IS DESIGNED TO MEET THE REQUIREMENTS OF A "QUALIFIED" TUITION PROGRAM UNDER SECTION 529 OF THE INTERNAL REVENUE CODE. NORTH CAROLINA'S NATIONAL COLLEGE SAVINGS PROGRAM (NCSP) HAD 92,176 ACCOUNTS FOR 86,064 BENEFICIARIES AND A VALUE OF \$822,169,720 AT JUNE 30, 2011. THE NCSP RECEIVED SAVINGS PLAN CONTRIBUTIONS OF \$181,616,560 AND DISTRIBUTED WITHDRAWALS IN THE AMOUNT OF \$45,797,255 FOR THE YEAR ENDED JUNE 30, 2011

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**4d Other program services (Describe in Schedule O ) See also Additional Data for Description**

(Expenses \$	1,511,181	including grants of \$	8,250 ) (Revenue \$	1,333,385 )
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<b>4e Total program service expenses</b>	\$	28,242,092
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**Part IV Checklist of Required Schedules**

**1** Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

**2** Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?

**3** Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.

**4** **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.

**5** Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.

**6** Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.

**7** Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.

**8** Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

**9** Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.

**10** Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V.

**11** If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

**a** Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.

**b** Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.

**c** Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.

**d** Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.

**e** Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.

**f** Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.

**12a** Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

**b** Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.

**13** Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

**14a** Did the organization maintain an office, employees, or agents outside of the United States?

**b** Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV.

**15** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Parts II and IV.

**16** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Parts III and IV.

**17** Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

**18** Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.

**19** Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.

**20a** Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

**b** If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

	<b>Yes</b>	<b>No</b>
<b>1</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		No
<b>4</b>		No
<b>5</b>		No
<b>6</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>	Yes	
<b>10</b>		No
<b>11a</b>	Yes	
<b>11b</b>		No
<b>11c</b>		No
<b>11d</b>		No
<b>11e</b>	Yes	
<b>11f</b>		No
<b>12a</b>	Yes	
<b>12b</b>		No
<b>13</b>		No
<b>14a</b>		No
<b>14b</b>		No
<b>15</b>		No
<b>16</b>		No
<b>17</b>		No
<b>18</b>		No
<b>19</b>		No
<b>20a</b>		No
<b>20b</b>		

**Part IV Checklist of Required Schedules (continued)**

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input checked="" type="checkbox"/>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input checked="" type="checkbox"/>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input checked="" type="checkbox"/>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25		24a		No
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b		
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		24c		
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		25a		No
25b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		28a		No
28b	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28b		No
28c	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	<input checked="" type="checkbox"/>	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<input checked="" type="checkbox"/>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?		35		No
36	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	36	Yes	
37	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O		38	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 54,753	
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a 237	
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b Yes	
<p><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a No	
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a No	
<b>b</b>	If "Yes," enter the name of the foreign country		
<p>See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts</p>			
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a No	
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b No	
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c No	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a No	
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b No	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a No	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b No	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c No	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7d No	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e No	
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f No	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g No	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h No	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8 No	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	9a No	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	9b No	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10a No	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b No	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>a</b>	Gross income from members or shareholders	11a No	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b No	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a No	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b No	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state?		
<p><b>Note.</b> See the instructions for additional information the organization must report on Schedule O</p>			
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b No	
<b>c</b>	Enter the amount of reserves on hand	13c No	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a No	
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b No	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

### Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year . . . . .

1b Enter the number of voting members included in line 1a, above, who are independent . . . . .

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .

5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .

6 Does the organization have members or stockholders? . . . . .

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .

b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body? . . . . .

b Each committee with authority to act on behalf of the governing body? . . . . .

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .

	Yes	No
1a		9
1b		9
2		No
3		No
4		No
5		No
6		No
7a		No
7b		No
8a	Yes	
8b	Yes	
9		No

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

10a Does the organization have local chapters, branches, or affiliates? . . . . .

b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .

b Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .

12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .

13 Does the organization have a written whistleblower policy? . . . . .

14 Does the organization have a written document retention and destruction policy? . . . . .

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official . . . . .

b Other officers or key employees of the organization . . . . .

If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .

b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .

	Yes	No
10a		No
10b		
11a	Yes	
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14	Yes	
15a	Yes	
15b	Yes	
16a	Yes	
16b	Yes	

### Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ► NC

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply

Own website  Another's website  Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►

JAMES I AVETT III  
2917 HIGHWOODS BLVD  
RALEIGH, NC 27604  
(919) 834-2893

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

 Check if Schedule O contains a response to any question in this Part VII 
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee	Highest compensated employee		
(1) CHARLES J STEWART CHAIRMAN OF THE BOARD	1 00	X		X				0	0
(2) ROBERT F LOWE VICE CHAIRMAN OF THE BOARD	1 00	X		X				0	0
(3) STEPHEN G ASHWORTH TREASURER OF THE BOARD	1 00	X		X				0	0
(4) JAMES O FRYE TRUSTEE	1 00	X						0	0
(5) ROBERT E HAMMERSLEY JR TRUSTEE	1 00	X						0	0
(6) HILDA PINNIX-RAGLAND TRUSTEE	1 00	X						0	0
(7) ME VALENTINE JR TRUSTEE	1 00	X						0	0
(8) A HOPE WILLIAMS TRUSTEE	1 00	X						0	0
(9) QUANTELLA WILLIAMS TRUSTEE	1 00	X						0	0
(10) JOHN B TURNER TRUSTEE	1 00	X						0	0
(11) JAMES I AVETT III PRESIDENT & CEO	48 00			X				197,296	0
(12) WENDY H MCALISTER PRESIDENT-ELECT & SECRETARY/TREASURER	50 00			X				163,333	0
(13) CLIFTON E DILLARD VICE PRESIDENT	43 00			X				129,185	0
(14) SHERA J HUBE VICE PRESIDENT	45 00			X				135,163	0
(15) RICHARD H FERNEYHOUGH IT DEVELOPMENT MANAGER	41 00				X			112,662	0
(16) DAWN S HARRIS IT OPERATIONS MANAGER	44 00					X		108,113	0
									16,946

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **8**

	<b>Yes</b>	<b>No</b>
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	<b>3</b>	No
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	<b>4</b>	Yes
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	<b>5</b>	No

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A)	(B)	(C)
Name and business address	Description of services	Compensation
C-BRIDGE CORPORATION		
2530 MERIDIAN PARKWAY		
DURHAM, NC 27713	COMPUTER PROGRAMMING	1,113,875
TODAY'S OFFICE PROFESSIONALS		
PO BOX 847872	CLERICAL STAFFING	255,135
DALLAS, TX 75284		
NATIONAL STAFFING ALTERNATIVES		
PO BOX 1155	COMP TECH ASST & PROGRMG	243,958
LIMA, OH 45802		
KOONCE WOOTEN & HAYWOOD LLP		
PO BOX 17806	AUDITING	194,214
RALEIGH, NC 27619		
VOLT SERVICES GROUP		
FILE 53102	COLLECTIONS STAFFING	181,603
LOS ANGELES, CA 90074		
<b>2</b>	Total number of independent contractors (including but not limited to those listed above) who received more than	
\$100,000 in compensation from the organization	56	

**Part VIII Statement of Revenue**

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
<b>b</b> Membership dues . . . . .	<b>1b</b>				
<b>c</b> Fundraising events . . . . .	<b>1c</b>				
<b>d</b> Related organizations . . . . .	<b>1d</b>				
<b>e</b> Government grants (contributions)	<b>1e</b>				
<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	8,250			
<b>g</b> Noncash contributions included in lines 1a-1f \$					
<b>h Total.</b> Add lines 1a-1f . . . . .		8,250			
<b>Program Service Revenue</b>		<b>Business Code</b>			
<b>2a</b> EDUCATIONAL LOAN PROGR		611710	18,025,687	18,025,687	
<b>b</b> INFORMATION DISSEMINAT		611710	7,365,795	7,365,795	
<b>c</b> NC529 COLLEGE SAVINGS		611710	3,508,690	3,508,690	
<b>d</b>					
<b>e</b>					
<b>f</b> All other program service revenue			1,333,385		
<b>g Total.</b> Add lines 2a-2f . . . . .			30,233,557		
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .			9,899		9,899
<b>4</b> Income from investment of tax-exempt bond proceeds .					
<b>5</b> Royalties . . . . .					
<b>6a</b> Gross Rents	(i) Real	(ii) Personal			
	432,378				
<b>b</b> Less rental expenses	277,484				
<b>c</b> Rental income or (loss)	154,894				
<b>d</b> Net rental income or (loss)			154,894		154,894
<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
<b>b</b> Less cost or other basis and sales expenses					
<b>c</b> Gain or (loss)					
<b>d</b> Net gain or (loss)					
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .					
<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events .					
<b>9a</b> Gross income from gaming activities See Part IV, line 19 .	<b>a</b>				
<b>b</b> Less direct expenses . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from gaming activities .					
<b>10a</b> Gross sales of inventory, less returns and allowances .					
<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>				
<b>c</b> Net income or (loss) from sales of inventory .					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>			
<b>11a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b> All other revenue . . . . .					
<b>e Total.</b> Add lines 11a-11d . . . . .					
<b>12 Total revenue.</b> See Instructions . . . . .			30,406,600	30,233,557	0 164,793

**Part IX Statement of Functional Expenses****Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	8,250	8,250		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees . . .	705,972	665,073	40,899	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .				
7 Other salaries and wages	10,510,459	9,901,551	608,908	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	372,296	350,727	21,569	
9 Other employee benefits . . .	2,533,785	2,386,995	146,790	
10 Payroll taxes . . .	836,262	787,814	48,448	
a Fees for services (non-employees) Management . . .				
b Legal . . .	12,209	320	11,889	
c Accounting . . .	188,719	77,755	110,964	
d Lobbying . . .				
e Professional fundraising services See Part IV, line 17 . .				
f Investment management fees . . .				
g Other . . .	953,798	945,381	8,417	
12 Advertising and promotion . . .	2,687,739	2,687,739		
13 Office expenses . . .	2,254,748	2,210,704	44,044	
14 Information technology . . .	3,844,336	3,552,506	291,830	
15 Royalties . . .				
16 Occupancy . . .	510,223	482,693	27,530	
17 Travel . . .	132,284	128,473	3,811	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . .				
19 Conferences, conventions, and meetings . . .	4,122	4,122		
20 Interest . . .				
21 Payments to affiliates . . .				
22 Depreciation, depletion, and amortization . . .	2,601,833	2,451,100	150,733	
23 Insurance . . .	100,792	94,953	5,839	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a COMPUTERIZED SERVICES	1,458,435	1,432,705	25,730	
b STAFF TRAINING & DEVELO	26,473	24,970	1,503	
c				
d				
e				
f All other expenses	48,596	48,261	335	
<b>25 Total functional expenses.</b> Add lines 1 through 24f	29,791,331	28,242,092	1,549,239	0
<b>26 Joint costs.</b> Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	5,030,132	<b>1</b> 2,393
	2 Savings and temporary cash investments . . . . .	19,408,770	<b>2</b> 24,196,198
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	6,224,714	<b>4</b> 6,541,671
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .		<b>6</b>
	7 Notes and loans receivable, net . . . . .	7	
	8 Inventories for sale or use . . . . .	8	
	9 Prepaid expenses and deferred charges . . . . .	1,646,804	<b>9</b> 1,980,281
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 46,529,158	
	b Less accumulated depreciation . . . . .	10b 27,007,479	<b>10c</b> 19,521,679
	11 Investments—publicly traded securities . . . . .	11	
	12 Investments—other securities See Part IV, line 11 . . . . .	12	
	13 Investments—program-related See Part IV, line 11 . . . . .	118,688	<b>13</b> 925,906
	14 Intangible assets . . . . .	14	
	15 Other assets See Part IV, line 11 . . . . .	968,656	<b>15</b> 226,073
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	53,713,529	<b>16</b> 53,394,201
Liabilities	17 Accounts payable and accrued expenses . . . . .	2,987,013	<b>17</b> 2,246,686
	18 Grants payable . . . . .	18	
	19 Deferred revenue . . . . .	19	1,936,563
	20 Tax-exempt bond liabilities . . . . .	20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	21	1,137,718
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	22	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	23	
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	24	
	25 Other liabilities Complete Part X of Schedule D . . . . .	16,353,573	<b>25</b> 12,795,061
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	19,340,586	<b>26</b> 18,116,028
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	33,791,195	<b>27</b> 34,692,998
	28 Temporarily restricted net assets . . . . .	36,997	<b>28</b> 36,997
	29 Permanently restricted net assets . . . . .	544,751	<b>29</b> 548,178
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds . . . . .	30	
	31 Paid-in or capital surplus, or land, building or equipment fund . . . . .	31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .	32	
	33 Total net assets or fund balances . . . . .	34,372,943	<b>33</b> 35,278,173
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	53,713,529	<b>34</b> 53,394,201

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1 Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	30,406,600
2 Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	29,791,331
3 Revenue less expenses Subtract line 2 from line 1 . . . . .	3	615,269
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	34,372,943
5 Other changes in net assets or fund balances (explain in Schedule O) . . . . .	5	289,961
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	6	35,278,173

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .	2a	No
2b Were the organization's financial statements audited by an independent accountant? . . . . .	2b	Yes
2c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . . .	2c	Yes
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .	3a	Yes
3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . . . .	3b	Yes

**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support****2010****Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.****► Attach to Form 990 or Form 990-EZ. ► See separate instructions.****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service  
Name of the organization  
COLLEGE FOUNDATION INC**Employer identification number**

56-6046937

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.  
 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )  
 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.  
 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state

5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )  
 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.  
 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )  
 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )  
 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )  
 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.  
 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other  
 e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)  
 f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box   
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?  
 (ii) a family member of a person described in (i) above?  
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?  
 h Provide the following information about the supported organization(s)

	<b>Yes</b>	<b>No</b>
<b>11g(i)</b>		No
<b>11g(ii)</b>		No
<b>11g(iii)</b>		No

<b>(i)</b> Name of supported organization	<b>(ii)</b> EIN	<b>(iii)</b> Type of organization (described on lines 1- 9 above or IRC section (see instructions))	<b>(iv)</b> Is the organization in col (i) listed in your governing document?		<b>(v)</b> Did you notify the organization in col (i) of your support?		<b>(vi)</b> Is the organization in col (i) organized in the U S ?		<b>(vii)</b> Amount of support
			<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	
(A) STATE OF NC	566172047	6		No	Yes		Yes		0
<b>Total</b>									0

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 <b>First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						►

**Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2009.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2009.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ►						

**Section C. Computation of Public Support Percentage**

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2009 Schedule A, Part III, line 15	16

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18
<b>19a 33 1/3% support tests—2010.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
<b>b 33 1/3% support tests—2009.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
<b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ►	

**Part IV** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

### Facts And Circumstances Test

#### Explanation

SCHEDULE A, PART IV, SUPPLEMENTAL INFORMATION PART 1, LINE 11H, COLUMN (IV) THE FOUNDATION HAS A HISTORIC AND CONTINUING RELATIONSHIP WITH THE STATE OF NORTH CAROLINA AND A SUBSTANTIAL IDENTITY OF INTERESTS EXISTS BETWEEN THE ORGANIZATIONS PART 1, LINE 11H, COLUMN (VII) THE FOUNDATION SERVICES THE LOANS THAT WERE ORIGINATED UNDER NORTH CAROLINA'S FEDERAL FAMILY EDUCATION LOAN PROGRAM AND ADMINISTERS VARIOUS PROGRAMS FOR THE NORTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY, A POLITICAL SUBDIVISION OF THE STATE OF NORTH CAROLINA

2010

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

Department of the Treasury  
Internal Revenue Service**Name of the organization**  
COLLEGE FOUNDATION INC**Employer identification number**

56-6046937

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a  Public exhibition      d  Loan or exchange programs  
 b  Scholarly research      e  Other  
 c  Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	37,590,146
1d	1,409,783,105
1e	1,440,382,358
1f	6,990,893

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance . . . . .					
1b Contributions . . . . .					
1c Investment earnings or losses . . . . .					
1d Grants or scholarships . . . . .					
1e Other expenditures for facilities and programs . . . . .					
1f Administrative expenses . . . . .					
1g End of year balance . . . . .					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

<b>(i)</b> unrelated organizations . . . . .	<b>Yes</b>	<b>No</b>
<b>(ii)</b> related organizations . . . . .		

3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .	961,308	1,302,882		2,264,190
1b Buildings . . . . .	3,862,067	12,284,110	3,870,930	12,275,247
1c Leasehold improvements . . . . .				
1d Equipment . . . . .	17,355,519	13,332,666		4,022,853
1e Other . . . . .	10,763,272	9,803,883		959,389
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				19,521,679

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12.) ►		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13.) ►		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 15.) ►	

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	30,406,600
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	29,791,331
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	615,269
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	289,961
9	Total adjustments (net) Add lines 4 - 8	9	289,961
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	905,230

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	30,398,350
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	30,398,350
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	8,250
c	Add lines 4a and 4b . . . . .	4c	8,250
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	30,406,600

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements . . . . .	1	29,783,081
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	29,783,081
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	8,250
c	Add lines 4a and 4b . . . . .	4c	8,250
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	29,791,331

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
	PART IV, LINE 1B	THE FOUNDATION SERVES AS TRUSTEE OR AGENT FOR THE NC STATE EDUCATION ASSISTANCE AUTHORITY LOAN FUND, BANKS PARTICIPATING IN THE ASSIGNED LOAN FUND, AND PARTICIPANTS IN THE SPECIAL LOAN FUND AS LOAN PROCEEDS INCLUDING PRINCIPAL AND INTEREST PAYMENTS ARE COLLECTED FROM BORROWERS AND OTHER PAYERS, THE FUNDS ARE PROMPTLY REMITTED TO THE APPLICABLE FUNDING SOURCE THE FOUNDATION SERVES AS AGENT FOR THE NC STATE EDUCATION ASSISTANCE AUTHORITY IN THE ADMINISTRATION OF VARIOUS GRANT AND SCHOLARSHIP PROGRAMS FUNDS PROVIDED BY THE AUTHORITY ARE DISBURSED TO THE COLLEGES AND UNIVERSITIES PARTICIPATING IN THE PROGRAMS FOR AWARD TO ELIGIBLE STUDENTS THE FOUNDATION ALSO SERVES IN A SIMILAR CAPACITY FOR THE NC COMMUNITY COLLEGE SYSTEM IN ADMINISTERING THE NC COMMUNITY COLLEGE GRANT PROGRAM AS AGENT FOR THE NC STATE EDUCATION ASSISTANCE AUTHORITY IN THE ADMINISTRATION OF THE NC COLLEGE SAVINGS AND INVESTMENT PROGRAM, THE FOUNDATION RECEIVES CONTRIBUTIONS FROM PARTICIPANTS AND PASSES THE FUNDS TO THE APPROPRIATE INVESTMENT FUND MANAGERS FUNDS ARE ALSO OBTAINED BACK FROM THE INVESTMENT FUND MANAGERS IN ORDER TO DISTRIBUTE THEM AS DIRECTED BY PARTICIPANTS
	PART IV, LINE 2B	THE FOUNDATION OPERATES THE COLLEGE FUNDS INSTALLMENT PAYMENT PLAN STUDENTS ENROLLED IN NC COLLEGES AND UNIVERSITIES THAT PARTICIPATE IN THE PLAN MAKE INTEREST-FREE MONTHLY PAYMENTS THAT THE FOUNDATION, ACTING AS AGENT, COLLECTS AND FORWARDS TO THE APPROPRIATE SCHOOL
PART XI, LINE 8 - OTHER ADJUSTMENTS		PENSION-RELATED CHANGES OTHER THAN NET PERIODIC POST RETIREMENT BENEFITS COSTS AS CALCULATED CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
PART XII, LINE 4B - OTHER ADJUSTMENTS		CONTRIBUTION FROM WILLIAM I BARBOUR TUW 8,250
PART XIII, LINE 4B - OTHER ADJUSTMENTS		THREE NONRENEWABLE COLLEGE SCHOLARSHIPS OF \$2,750 AWARDED TO STUDENTS NOMINATED FROM PINCREST HIGH SCHOOL 8,250

**Schedule I  
(Form 990)**

## **Grants and Other Assistance to Organizations, Governments and Individuals in the United States**

**Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.**

► Attach to Form 990

2010

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
**COLLEGE FOUNDATION INC**

**Employer identification number**

## Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .  Yes  No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

<b>(a)</b> Type of grant or assistance	<b>(b)</b> Number of recipients	<b>(c)</b> Amount of cash grant	<b>(d)</b> Amount of non-cash assistance	<b>(e)</b> Method of valuation (book, FMV, appraisal, other)	<b>(f)</b> Description of non-cash assistance
(1) ONE YEAR NONRENEWABLE COLLEGE SCHOLARSHIP	3	8,250			

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ANNUAL CERTIFICATION OF ELIGIBILITY BY SCHOOLS IS REQUIRED UNTIL ALL FINAL ELIGIBILITY REQUIREMENTS HAVE BEEN MET. ONCE ALL REQUIREMENTS HAVE BEEN MET, NO FURTHER MONITORING IS DONE

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2010**Department of the Treasury  
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
**► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.**  
**► Attach to Form 990. ► See separate instructions.**

**Open to Public Inspection****Name of the organization**  
COLLEGE FOUNDATION INC**Employer identification number**  
56-6046937**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

**a** Receive a severance payment or change-of-control payment from the organization or a related organization?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

**a** The organization?

**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>		No
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JAMES I AVETT III	(i) 197,296 (ii) 0	0	0	12,000 0	10,382 0	219,678 0	0 0
(2) WENDY H MCALISTER	(i) 163,333 (ii) 0	0	0	7,427 0	9,393 0	180,153 0	0 0
(3) CLIFTON E DILLARD	(i) 129,185 (ii) 0	0	0	8,211 0	15,016 0	152,412 0	0 0
(4) SHERA J HUBE	(i) 135,163 (ii) 0	0	0	8,133 0	8,272 0	151,568 0	0 0
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

Identifier	Return Reference	Explanation
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## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 56-6046937  
**Name:** COLLEGE FOUNDATION INC

### Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

#### 4d. Other program services

(Code	(Expenses \$	1,511,181	including grants of \$	8,250	)(Revenue \$	1,333,385 )
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NC STUDENT INCENTIVE GRANT PROGRAM, NC COMMUNITY COLLEGE GRANT PROGRAM, UNC NEED-BASED GRANT PROGRAM, EDUCATION LOTTERY SCHOLARSHIP PROGRAM, EDUCATION ACCESS REWARDS NORTH CAROLINA (EARN) SCHOLARS FUND PROGRAM, COLLEGE FUNDS INSTALLMENT PAYMENT PLAN, VICTOR E BELL, JR SCHOLARSHIP PROGRAM, MANAGEMENT AND COMPUTER SERVICES, AND MISCELLANEOUS SCHOLARSHIP PROGRAMS

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
► Attach to Form 990 or 990-EZ.

**2010****Open to Public  
Inspection****Name of the organization**  
COLLEGE FOUNDATION INC**Employer identification number**

56-6046937

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	IN MAY 2011, THE BOARD OF TRUSTEES AUTHORIZED THE FOUNDATION TO SEEK PARTICIPATION IN SERVICING THE UNITED STATES DEPARTMENT OF EDUCATION'S TITLE IV STUDENT FINANCIAL AID, INCLUDING DIRECT LOANS, AND A MEMO OF UNDERSTANDING WAS RETURNED TO THE DEPARTMENT OF EDUCATION CONFIRMING THE FOUNDATION'S INTENT TO SERVICE TITLE IV AID

Identifier	Return Reference	Explanation
CHANGES IN PROGRAM SERVICES	FORM 990, PART III, LINE 3	EFFECTIVE JULY 1, 2010 NO NEW LOANS MAY BE ORIGINATED UNDER THE FFELP THOUGH THE FOUNDATION CONTINUES TO SERVICE LOANS ORIGINATED BEFORE JULY 1, 2010

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS COMPLETED BY THE FINANCIAL SERVICES MANAGER AND IS THEN REVIEWED BY THE VICE PRESIDENT OF FINANCIAL SERVICES AND GENERAL COUNSEL PRIOR TO BEING SUBMITTED TO THE CEO AND PRESIDENT-ELECT FOR THEIR REVIEW. COPIES OF THE APPROVED FORM ARE THEN SENT TO ALL MEMBERS OF THE BOARD OF TRUSTEES PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE FOUNDATION REQUIRES OFFICERS AND TRUSTEES TO ANNUALLY COMPLETE A "CERTIFICATION OF COMPLIANCE WITH THE CODE OF ETHICS AND CONFLICT OF INTEREST POLICY" FORM AND MONITORS FOR THE TIMELY COMPLETION OF THE CERTIFICATION BY ALL OFFICERS AND TRUSTEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	ALL JOBS IN THE FOUNDATION, INCLUDING THOSE OF THE CEO AND OTHER EXECUTIVES, ARE ASSIGNED JOB GRADES BASED ON LEVEL OF RESPONSIBILITY AND SIGNIFICANCE OF DUTIES PERFORMED. JOB GRADES ARE BENCHMARKED BY EVALUATING JOBS WITH SIMILAR JOB FUNCTIONS IN ORGANIZATIONS LOCATED PRINCIPALLY IN CENTRAL AND EASTERN NORTH CAROLINA. ANNUALLY SALARY RANGES FOR EACH JOB GRADE ARE COMPARED AGAINST THOSE PROVIDED BY PEERS IN THIS GEOGRAPHIC AREA. THIS IS ACCOMPLISHED VIA SURVEYS PROVIDED BY CAPITAL ASSOCIATED INDUSTRIES AND OTHER HUMAN RESOURCE FIRMS. THE COMPENSATION FOR THE OFFICERS AS WELL AS THE REST OF THE STAFF IS DETERMINED BY THOSE SALARY REVIEWS, INDIVIDUAL JOB PERFORMANCE, ECONOMIC CONDITIONS, AND APPROVAL BY THE BOARD OF TRUSTEES. PERIODICALLY AN OUTSIDE CONSULTING FIRM IS HIRED TO PROVIDE AN INDEPENDENT REVIEW OF JOB GRADES AND SALARY RANGES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE FOUNDATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC BY PROVIDING COPIES OR ALLOWING FOR INSPECTION UPON REQUEST. CORPORATE FILINGS MAY BE VIEWED ON THE WEBSITE OF THE NC SECRETARY OF STATE

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	THE \$289,961 INCREASE IN NET ASSETS RESULTED FROM BOOKING PENSION-RELATED CHANGES OTHER THAN NET PERIODIC POST RETIREMENT BENEFITS COSTS AS CALCULATED BY STANLEY BENEFIT SERVICES, AN INDEPENDENT FEE FOR SERVICE CONSULTING FIRM, CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES 289,961 TOTAL TO FORM 990, PART XI, LINE 5 289,961

Identifier	Return Reference	Explanation
	SCHEDULE R, PART V, LINE 2, COLUMN(C)	VALUED AT ACTUAL CASH RECEIVED

## **SCHEDULE R (Form 990)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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**Name of the organization**

COLLEGE FOUNDATION INC

**Employer identification number**

56-604693

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n		No
1o		No
1p	Yes	
1q	Yes	
1r		No

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) NORTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY	K	27,770,486	FEE BILLINGS
(2) NORTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY	P	370,826	REIMBS RECEIVED
(3) NORTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY	Q	757,969	CASH TRANSFERS
(4)			
(5)			
(6)			

**Part VI Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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