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Short Form
Return of Organization Exempt From Income TaxUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

OMB No. 1545-1150

2011

Open to Public
Inspection

A For the 2011 calendar year, or tax year beginning

, 2011, and ending

, 20

B Check if applicable

- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization

GRACE IN ACTION

Number & street (or P O. box, if mail is not delivered to street addr)

D Employer Identification number

30-0208781

PO BOX 4393

E Telephone number

City or town, state or country, and ZIP + 4

Davis CA 95617

F Group Exemption

Number ►

G Accounting Method: Cash Accrual Other (specify) ►

H Check ► if the organization is not

required to attach Schedule B

(Form 990, 990-EZ, or 990-PF)

i Website: ► N/A

J Tax-exempt status (check only one) -- 501(c)(3) 501(c)(4) (Insert no.) 4947(a)(1) or 527

K Check ► if the organization is not a section 509(a)(3) supporting organization or a section 527 organization and its gross receipts are normally not more than \$50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions) But if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts If gross receipts are \$200,000 or more, or if total assets (Part II, line 25, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ ► \$ 74,121

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I.

R E V E N U E	1 Contributions, gifts, grants, and similar amounts received	1 3,504
	2 Program service revenue including government fees and contracts.	2
	3 Membership dues and assessments	3
	4 Investment income	4 2
	5a Gross amount from sale of assets other than inventory	5a
	b Less cost or other basis and sales expenses	5b
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c
	6 Gaming and fundraising events	
	a Gross income from gaming (attach Schedule G if greater than \$15,000)	6a
E X P E N S E	b Gross income from fundraising events (not including \$ from fundraising events reported on line 1) Attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b
	c Less, direct expenses from gaming and fundraising events	6c
	d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d
	7a Gross sales of inventory, less returns and allowances	7a
	b Less cost of goods sold	7b
	c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c
	8 Other revenue (describe in Schedule O)	8 70,615
	9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9 74,121
	10 Grants and similar amounts paid (list in Schedule O)	10
A S S E T S	11 Benefits paid to or for members	11
	12 Salaries, other compensation, and employee benefits	12 51,547
	13 Professional fees and other payments to independent contractors	13
	14 Occupancy, rent, utilities, and maintenance	14 1,590
	15 Printing, publications, postage, and shipping	15 203
	16 Other expenses (describe in Schedule O)	16 8,621
	17 Total expenses. Add lines 10 through 16	17 61,961
N E T A S T S	18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18 12,160
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19 9,365
	20 Other changes in net assets or fund balances (explain in Schedule O)	20
	21 Net assets or fund balances at end of year Combine lines 18 through 20	21 21,525

For Paperwork Reduction Act Notice, see the separate Instructions.

Part II Balance Sheets. (see the instructions for Part II.)

Check if the organization used Schedule O to respond to any question in this Part I

	(A) Beginning of year	(B) End of year	
22 Cash, savings, and investments	10,655	22	22,039
23 Land and buildings	0	23	0
24 Other assets (describe in Schedule O)	0	24	0
25 Total assets	10,655	25	22,039
26 Total liabilities (describe in Schedule O)	1,290	26	0
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	9,365	27	22,039

Part III Statement of Program Service Accomplishments (see the instructions for Part III.)

Check if the organization used Schedule O to respond to any question in this Part III . . .

What is the organization's primary exempt purpose?

What is the organization's primary exempt purpose? _____

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title _____

Expenses

(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts, optional for others.)

28

(Grants \$) If this amount includes foreign grants, check here

28a

29

(Grants \$) If this amount includes foreign grants, check here

29a

30

(Grants \$) If this amount includes foreign grants, check here

30a

31 Other program services (describe in Schedule O)

31a

32 Total program service expenses (add lines 28a through 31a)

32

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (see the instr. for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV

(a) Name and address	(b) Title and Average hours per week devoted to position	(c) Reportable compensation (Form W-2/1099 MISC)	(d) Health benefits, Contributions to employee benefit plans & deferred compensation	(e) Estimated amount of other compensation
See attachment #1				

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33	X
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34	X
35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a	X
b If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	35b	X
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c	X
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36	X
37a Enter amount of political expenditures, direct or indirect, as described in the instructions ► 37a	37a	
b Did the organization file Form 1120-POL for this year?	37b	X
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	X
b If "Yes," complete Schedule L, Part II and enter the total amount involved.	38b	
39 Section 501(c)(7) organizations. Enter	39a	
a Initiation fees and capital contributions included on line 9	39b	
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ► , section 4912 ► ; section 4955 ►	40a	
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	X
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ►	40c	
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ►	40d	
e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e	X
41 List the states with which a copy of this return is filed. ► CA		
42a The organization's books are in care of ► See attachment #2 Telephone no ► Located at ►		
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)? If "Yes," enter the name of the foreign country: ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	42b	X
c At any time during the calendar year, did the organization maintain an office outside the U.S.? If "Yes," enter the name of the foreign country ►	42c	X
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 -- Check here and enter the amount of tax-exempt interest received or accrued during the tax year ► 43	43	□
44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	X
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	X
c Did the organization receive any payments for indoor tanning services during the year?	44c	X
d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	X
45b 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," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	X

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

	Yes	No
46		X

Part VI **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 47-49b and 52, and complete the tables for lines 50 and 51

Check if the organization used Schedule O to respond to any question in this Part VI

	Yes	No
47 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	47	X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	X
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a	X
b If "Yes," was the related organization a section 527 organization?	49b	X
50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None"		

(a) Name and title of each employee paid more than \$100,000	(b) Title and Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over \$100,000 . . . ►

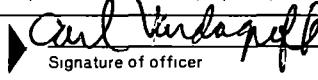
51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over \$100,000 ►

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A ► Yes No

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  4/25/12
 Signature of officer
CARL VANDAGRIFT PRESIDENT
 Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name <i>George W. Workman</i>	Preparer's signature <i>Carl</i>	Date 4/25/12	Check <input type="checkbox"/> if self-employed	PTIN P00039378
	Firm's name ► Office 4251			Firm's EIN ►	
	Firm's address ► 602 COTTONWOOD ST			Phone no.	530-666-0101

May the IRS discuss this return with the preparer shown above? See instructions ► Yes No

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 497(a)(1) nonexempt charitable trust.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
GRACE IN ACTION

Employer Identification number
30-0208781

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 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).

	Yes	No
11g(i)	X	
11g(ii)	X	
11g(iii)	X	

(I) Name of supported organization	(II) EIN	(III) Type of organization (described on lines 1-9 above or IRC section (see Instructions))	(IV) Is the organization in col. (I) listed in your governing document?		(V) Did you notify the organization in col. (I) of your support?		(VI) Is the organization in col. (I) organized in the U S ?	(VII) Amount of support
			Yes	No	Yes	No		
Total								

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") ..	68,145	78,807	47,645	58,840	58,843	312,280
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 Total. Add lines 1 through 3 ..	68,145	78,807	47,645	58,840	58,843	312,280
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 Public support. Subtract line 5 from line 4						312,280

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4 ..	68,145	78,807	47,645	58,840	58,843	312,280
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 Total support. Add lines 7 through 10						312,280
12 Gross receipts from related activities, etc (see instructions) ..					12	
13 First five years. 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 stop here ..						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) ..	14	100.00	%
15 Public support percentage from 2010 Schedule A, Part II, line 14 ..	15	100.00	%
16a 33 1/3 % support test -- 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here . The organization qualifies as a publicly supported organization ..			<input checked="" type="checkbox"/>
b 33 1/3 % support test -- 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here . The organization qualifies as a publicly supported organization ..			<input type="checkbox"/>
17a 10%-facts-and-circumstances test -- 2011. 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 stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..			<input type="checkbox"/>
b 10%-facts-and-circumstances test -- 2010. 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 stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..			<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..			<input type="checkbox"/>

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 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public
Inspection

Employer Identification number
30-0208781

Name of the organization

GRACE IN ACTION

CHURCH SPONSOR 21,474

INDIVIDUAL DONORS 47,290

MISCELLANEOUS 1851

TOTAL 70,615

EXPENSES

DIRECT EXPENSES 3,509

AUTO 619

FUND RAISER EXPENSES 479

INSURANCE 2,706

LEGAL 200

PUBLICITY & BROCHURES 203

MISC 423

QUICKBOOKS 302

ADVERTISING 180

TOTAL 8,621

990 CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Attachment 1: page 1 - 990-EZ Page 2, Part IV

Open to Public Inspection	For calendar year 2011 or tax period beginning _____, and ending _____			Employer Identification Number
Name of Organization GRACE IN ACTION			30-0208781	
(A) Name and Title	(B) Average hours per week devoted to position	(C) Compensation (Form W-2/1099-MISC) (if not paid, enter -0-)	(D) Cont to employee ben plans & def. comp.	(E) Expense account & other compensation
CINDY BURGER 163B THIRD ST Woodland, CA 95695	SPIRITUAL DIRECTOR 40.00	40,250	7,000	0
CARL VANDAGRIFF 1807 COSTA VERDE Davis, CA 95618	PRESIDENT	0	0	0
JENNIFER ANDERSON BEGUN 5202 EL CEMONTE Davis, CA 95618	SECRETARY	0	0	0
LORELL HARDAKER 100 FARO AVE Davis, CA 95616	TREASURER	0	0	0
ROBB DAVIS 2550 SYCAMORE UNIT 8D Davis, CA 95616	ADMIN SUPPORT	0	0	0
ASHLEY GIOVANNETTONE 806 LA CORUNO ST Davis, CA 95618	ADMIN SUPPORT	0	0	0
MEG HARPER 601 BENBOW CT Davis, CA 95618	ADMIN SUPPORT	0	0	0
KATHY MARR 3216 TRAWLER PL Davis, CA 95618	ADMIN SUPPORT	0	0	0
RITA MT. JOY 1613 PACIFIC DR Davis, CA 95616	ADMIN SUPPORT	0	0	0
JEWEL PAYNE 2318 ELENDIL LANE Davis, CA 95616	ADMIN SUPPORT	0	0	0

990 BOOKS ARE IN CARE OF

Attachment 2 - 990-EZ Page 3, Part V, Line 42a

Open to Public Inspection	For calendar year 2011 or tax period beginning	, and ending			
Name of Organization GRACE IN ACTION	Employer Identification Number 30-0208781				
Part V - Line 42a					
Individual Name or Business Name:	<u>Lorell Hardaker</u>				
Street Address	<u>PO Box 4393</u>				
U S. Address					
Zip code	<u>95617</u>	City	<u>Davis</u>	State	<u>CA</u>
or					
Foreign Address					
City	<u> </u>				
Province or State	<u> </u>				
Country	<u> </u>				
Postal code	<u> </u>				
Phone Number	<u> </u>				
Fax Number	<u> </u>				