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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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





OMB No 1545-0052

2012
Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation The Grass Foundation		A Employer identification number 04-6049529	
Number and street (or P O box number if mail is not delivered to street address) Foundation Source 501 Silverside Rd		B Telephone number (see instructions) (800) 839-1754	
City or town, state, and ZIP code Wilmington, DE 198091377		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 19,834,897		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) (Part I, column (d) must be on cash basis.)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	214	214		
	4 Dividends and interest from securities.	466,693	466,693		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	147,196			
	b Gross sales price for all assets on line 6a _____ 7,339,938				
	7 Capital gain net income (from Part IV, line 2)		147,196		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	7,802	7,802		
	12 Total. Add lines 1 through 11	621,905	621,905		
	13 Compensation of officers, directors, trustees, etc	13,940			13,940
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	20,300			20,300
	c Other professional fees (attach schedule)	215,499	151,866		63,633
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	9,549	511		
	19 Depreciation (attach schedule) and depletion . . .	713			
	20 Occupancy				
	21 Travel, conferences, and meetings	93,708			93,708
	22 Printing and publications				
	23 Other expenses (attach schedule)	412,880	18,962		393,918
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	766,589	171,339		585,499
	25 Contributions, gifts, grants paid	181,500			181,500
	26 Total expenses and disbursements. Add lines 24 and 25	948,089	171,339		766,999
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-326,184			
	b Net investment income (if negative, enter -0-)		450,566		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	1,373,121	1,131,151	1,131,151
	3	Accounts receivable ▶ <u>1,581</u>			
		Less allowance for doubtful accounts ▶ _____		1,581	1,581
	4	Pledges receivable ▶ _____			
		Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____			
		Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)	2,553,537	2,860,279	2,901,673
	b	Investments—corporate stock (attach schedule)	11,591,357	 11,251,295	12,815,775
	c	Investments—corporate bonds (attach schedule).	233,671	 222,515	238,039
	11	Investments—land, buildings, and equipment basis ▶ _____			
	Less accumulated depreciation (attach schedule) ▶ _____				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	2,768,705	 2,728,099	2,746,318	
14	Land, buildings, and equipment basis ▶ <u>41,171</u>				
	Less accumulated depreciation (attach schedule) ▶ <u>40,811</u>	1,073	 360	360	
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	18,521,464	18,195,280	19,834,897	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	18,521,464	18,195,280	
	30	Total net assets or fund balances (see page 17 of the instructions)	18,521,464	18,195,280	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	18,521,464	18,195,280	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year’s return)	1	18,521,464
2	Enter amount from Part I, line 27a	2	-326,184
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	18,195,280
5	Decreases not included in line 2 (itemize) ▶ _____	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	18,195,280

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	Publicly-traded Securities			
b	Passthrough K1 Capital Loss			
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 7,339,938		7,162,124	177,814
b			-30,618
c			
d			
e			

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

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			177,814
b			-30,618
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	147,196
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	900,090	19,705,853	000 045676
2010	759,825	18,901,839	000 040198
2009	929,277	16,621,665	000 055908
2008	972,033	19,942,722	000 048741
2007	1,147,241	22,971,674	000 049942

2 Total of line 1, column (d).	2	000 240465
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	000 048093
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	19,390,903
5 Multiply line 4 by line 3.	5	932,567
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	4,506
7 Add lines 5 and 6.	7	937,073
8 Enter qualifying distributions from Part XII, line 4.	8	766,999

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See
the Part VI instructions

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

1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	9,011
c		All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2		Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3		Add lines 1 and 2.		3	9,011
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	9,011
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a	8,200	
b		Exempt foreign organizations—tax withheld at source	6b		
c		Tax paid with application for extension of time to file (Form 8868)	6c	1,037	
d		Backup withholding erroneously withheld	6d		
7		Total credits and payments Add lines 6a through 6d.		7	9,237
8		Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	226
11		Enter the amount of line 10 to be Credited to 2013 estimated tax 226	Refunded	11	

Part VII-AStatements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			No
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file Form 1120-POL for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either			
	• By language in the governing instrument, or			
	• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	<input type="checkbox"/> _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)?			
	If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ►www.grassfoundation.org				
14	The books are in care of ►Foundation Source Telephone no ►(800) 839-1754 Located at ►501 Silverside Road Suite 123 Wilmington DE ZIP +4 ►198091377			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ► <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ►	15		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
See instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ►				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. ► <input type="checkbox"/>	1b		No
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?.	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a

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

(1)

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

Yes

No

(2)

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

Yes

No

(3)

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

Yes

No

(4)

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

Yes

No

(5)

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

Yes

No

b

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

5b

Organizations relying on a current notice regarding disaster assistance check here.

c

If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

Yes

No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a

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

Yes

No

b

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

6b

No

If "Yes" to 6b, file Form 8870.

7a

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

Yes

No

b

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

7b

Part VIII

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

1

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

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

2

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

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

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

Part VIII

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Morgan Stanley	Investment Management	151,866
28 State Street		
Boston, MA 02109		
Foundation Source	Administrative	68,466
55 Walls Drive Suite 302		
Fairfield, CT 06824		
Total number of others receiving over \$50,000 for professional services.		

Part IX-A Summary of Direct Charitable Activities	
List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 The Grass Fdn seeks to encourage independent research at the Marine Biological Lab by investigators early in their career and increase research opportunities for persons trained for careers in neurobiological investigation. The number of fellowships awarded varies annually with a normal tenure of 14 weeks.	422,692
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)	
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	

Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	15,696,139
b	Average of monthly cash balances.	1b	1,243,739
c	Fair market value of all other assets (see instructions).	1c	2,746,318
d	Total (add lines 1a, b, and c).	1d	19,686,196
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	19,686,196
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions) 5	4	295,293
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	19,390,903
6	Minimum investment return. Enter 5% of line 5.	6	969,545

Part XI

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

1	Minimum investment return from Part X, line 6.	1	969,545
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	9,011
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	9,011
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	960,534
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	960,534
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	960,534

Part XII

Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26 5	1a	766,999
b	Program-related investments—total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	766,999
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	766,999
Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years			

Part XIII

Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				960,534
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007.				
b From 2008.				
c From 2009. 17,952				
d From 2010.				
e From 2011.				
f Total of lines 3a through e.	17,952			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 766,999				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2012 distributable amount.				766,999
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	17,952			17,952
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013.				175,583
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions). . .				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.				
10 Analysis of line 9				
a Excess from 2008. . . .				
b Excess from 2009. . . .				
c Excess from 2010. . . .				
d Excess from 2011. . . .				
e Excess from 2012. . . .				

Part XIV

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

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed.					
d	Amounts included in line 2c not used directly for active conduct of exempt activities.					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test—enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	"Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c	"Support" alternative test—enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
	(3) Largest amount of support from an exempt organization					
	(4) Gross investment income					

Part XV

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

1

Information Regarding Foundation Managers:

a

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

NONE

b

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

2

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

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

a

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

b

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

c

Any submission deadlines

d

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

Part XV

Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	181,500
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments. . . .					
3	Interest on savings and temporary cash investments			14	214	
4	Dividends and interest from securities. . . .			14	466,693	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.					
6	Net rental income or (loss) from personal property					
7	Other investment income.					
8	Gain or (loss) from sales of assets other than inventory			18	147,196	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory. .					
11	Other revenue a <u>K-1 Pass-through Income</u>			14	7,802	
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal Add columns (b), (d), and (e). .				621,905	
13	Total. Add line 12, columns (b), (d), and (e).			13		621,905

[illegible]

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

[illegible]

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

**Paid
Preparer
Use Only**

Sign Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

***** 2013-09-12 *****

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ **Yes** ☐ **No**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input checked="checked" type="checkbox"/>	PTIN
	Jeffrey D Haskell	Jeffrey D Haskell	2013-09-12		
	Firm's name <input type="checkbox"/>	Foundation Source		Firm's EIN <input type="checkbox"/>	
		One Hollow Lane Suite 212			
	Firm's address <input type="checkbox"/>	Lake Success, NY 11042		Phone no (800) 839-1754	

TY 2012 Accounting Fees Schedule**Name:** The Grass Foundation**EIN:** 04-6049529**Software ID:** 12000057**Software Version:** 12.18.605.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Audit of 2010 and 2011 Financial Statements	20,300			20,300

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

TY 2012 Depreciation Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
OFFICE EQUIPMENT		14,705	15,883	S/L	0000000005 000000000000	122			
OFFICE FURNITURE FIXTURES		26,466	25,515	S/L	0000000010 000000000000	591			

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

TY 2012 Gain/Loss from Sale of Other Assets Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

[illegible]

TY 2012 General Explanation Attachment**Name:** The Grass Foundation**EIN:** 04-6049529**Software ID:** 12000057**Software Version:** 12.18.605.2

TY 2012 Investments Corporate Bonds Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Name of Bond	End of Year Book Value	End of Year Fair Market Value
AMERICAN EXPRESS CR CORP - 2.800 - 09/19/2016	14,899	14,813
APACHE CORP SR NT - 3.250 - 04/15/2022	14,511	14,837
ATT INC NOTE-2.95-05/15/2016	15,920	15,881
COLGATE PALMOLIVE CO-2.30-05/03/2022	14,815	15,131
COMCAST CORP-6.40-03/01/2040	15,572	18,134
EI DU PONT DE NEMOUR NOTES 4.75 3/15/15	15,243	15,235
ENTERPRISE PRODUCTS - 5.700 - 02/15/2042	14,551	15,225
GE CAP CORP NTS - 5.875 - 01/14/2038	14,362	16,888
GOLDMAN SACHS GROUP INC NTS - 6.150 - 04/01/2018	14,330	16,447
HSBC HLDGS PLC NOTE - 5.100 - 04/05/2021	14,354	15,351
JPM CHASE - 4.400 - 07/22/2020	15,477	16,933
KRAFT FOODS INC NT 5.37500 02/10/2020	14,774	16,902
MERRILL LYNCH CO INC MTN BE 6.87500 04/25/2018 SR	14,982	15,671
NOBLE ENERGY INC-04.15-12/15/2021	14,683	15,455
TIME WARNER CABLE INC - 5.000 - 02/01/2020	14,042	15,136

TY 2012 Investments - Other Schedule**Name:** The Grass Foundation**EIN:** 04-6049529**Software ID:** 12000057**Software Version:** 12.18.605.2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
LIGHTHOUSE PRTNS DIVERSIFIED FD LTD		2,000,000	2,012,155
ORION FUTURES FUND LP		728,099	734,163

TY 2012 Land, Etc. Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
OFFICE EQUIPMENT	14,705	14,705		
OFFICE FURNITURE FIXTURES	26,466	26,106	360	360

TY 2012 Other Expenses Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Administrative Fees	68,466			68,466
Bank Charges	1,172	1,172		
IT Support	478			478
Foundation Dues Memberships	695			695
ORION FUTURES FUND LP K-1 Expenses	17,790	17,790		
Office Supplies	620			620
Medals and Certificates	263			263
Postage	2,265			2,265
Indemnification Insurance	1,786			1,786
State or Local Filing Fees	269			269
Storage	884			884
Website Development	1,187			1,187
Website Monthly Maintenance	2,376			2,376
Online File Backup	121			121
Grass Fellow Supplies	68,837			68,837
Grass Fellow Housing	96,753			96,753
Grass Fellow Lab Fees	121,262			121,262
Grass Fellow Meals/Other	26,444			26,444
Grass Fellow Advertising	1,212			1,212

TY 2012 Other Income Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ORION FUTURES FUND LP K-1 Pass-through Income	7,802	7,802	

TY 2012 Other Professional Fees Schedule**Name:** The Grass Foundation**EIN:** 04-6049529**Software ID:** 12000057**Software Version:** 12.18.605.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Investment Management Services	151,866	151,866		
Leased Employees	42,733			42,733
Grass Fellow Program Stipends	19,400			19,400
Consultant Stipends	1,500			1,500

TY 2012 Taxes Schedule**Name:** The Grass Foundation**EIN:** 04-6049529**Software ID:** 12000057**Software Version:** 12.18.605.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Estimated Tax for 2012	8,200			
Foreign Tax Paid	511	511		
Estimated Tax for 2011	838			

TY 2012 Investments Corporate
Stock Schedule

Name: The Grass Foundation

EIN: 04-6049529

Software ID: 12000057

Software Version: 12.18.605.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
210 shares of 3M CO	17,448	19,499
780 shares of ABBOTT LABS	38,109	51,090
106 shares of ACCENTURE PLC	6,210	7,049
678 shares of ACE LTD	41,857	54,104
235 shares of ADIDAS AG	8,647	10,528
1270 shares of ADT LTD.	40,270	59,042
160 shares of AEP INDUSTRIES INC	8,022	9,477
781 shares of AETNA INC. NEW	30,658	36,168
252 shares of AGEAS SPONS ADR	4,825	7,623
695 shares of AIA GROUP LTD ADR	10,451	11,002
218 shares of ALASKA AIR GROUP INC	7,454	9,394
333 shares of ALKERMES	6,145	6,167
192 shares of ALLERGAN INC.	17,899	17,612
71976 shares of ALLIANZ FIXED INCOME SHARES SERIES C	824,028	971,675
87041 shares of ALLIANZ FIXED INCOMESHARES SERIES M	887,081	976,599
538 shares of ALLIANZ SE ADR	5,676	7,435
1727 shares of ALSTOM	6,996	6,891
876 shares of ALUMINA LTD ADS	4,863	3,381
257 shares of AMAZON COM	51,035	64,474
518 shares of AMC NETWORKS INC	11,162	25,641
225 shares of AMER EQ INV LIFE HLD	1,940	2,747
1039 shares of AMER INTERNATIONAL GROUP INC	36,443	36,677
72 shares of AMERCO	6,879	9,130
259 shares of AMERICAN EXPRESS CO	12,031	14,887
515 shares of AMKOR TECHNOLOGY, INC	3,182	2,184
785 shares of ANADARKO PETROLEUM CORP	41,525	58,333
347 shares of ANGLOGOLD ASHANTI LTD	13,458	10,885
407 shares of ANHEUSER BUSCH COS INC	35,011	35,576
150 shares of ANIXTER INTL INC	9,079	9,597
218 shares of APPLE INC.	36,199	116,014

Name of Stock	End of Year Book Value	End of Year Fair Market Value
172 shares of ARM HOLDINGS PLC	1,627	6,507
126 shares of ASBURY AUTOMOTIVE GR	2,940	4,036
695 shares of ASML HOLDING NV NY REG SHS	41,676	44,774
609 shares of ASSA ABLOY UNSP/ADR	8,297	11,273
923 shares of ATT CORP COM NEW	25,413	31,114
1960 shares of AUTODESK, INC.	61,053	69,286
250 shares of AXA ADS	8,102	4,555
231 shares of AXIS CAPITAL HOLDINGS LTD	6,511	8,002
57 shares of BAIDU.COM - ADR	6,874	5,717
687 shares of BANCO ITAU HOLDING FINANCIERA	13,556	11,308
656 shares of BANCO SANTANDER BRASIL	4,730	4,776
399 shares of BANK OF NOVA SCOTIA	20,397	23,094
300 shares of BANNER CORP	7,179	9,219
460 shares of BARRICK GOLD CORP COM	17,029	16,105
160 shares of BASF AG SPONS ADR	10,505	15,200
546 shares of BAXTER INTERNATIONAL INC.	28,594	36,396
394 shares of BG GROUP PLC ADS	7,247	6,584
799 shares of BHP BILLITON LIMITED	57,512	62,658
1364 shares of BIOGEN IDEC INC	87,347	199,649
273 shares of BOEING CO	18,592	20,573
774 shares of BOISE INC	5,643	6,153
231 shares of BORG WARNER INC.	15,283	16,544
2087 shares of BRISTOL-MYERS SQUIBB CO	63,482	68,015
113 shares of BRISTOW GROUP	5,663	6,064
150 shares of BRITISH AMERICAN TOBACCO PLC	11,155	15,188
1300 shares of BROADCOM CORPORATION	43,798	43,173
195 shares of BROOKFIELD ASSET MANAGEMENT CL A	5,627	7,147
292 shares of BRUNSWICK CORPORATION COMMON	7,218	8,494
198 shares of BUCKEYE TECH INC	5,255	5,685
121 shares of BURBERRY GROUP PLC	4,722	4,934

Name of Stock	End of Year Book Value	End of Year Fair Market Value
2075 shares of CABLEVISION SYSTEMS CORP CL A	44,778	31,001
172 shares of CACI INTL INC	8,597	9,465
795 shares of CAMECO CORPORATION	20,265	15,677
162 shares of CAMERON INTERNATIONAL CORP	8,988	9,147
602 shares of CANADIAN NATL RAILWAY CO	34,427	54,788
515 shares of CANADIAN NATURAL RESOURCES LTD	19,656	14,868
340 shares of CANADIAN PACIFIC RAILWAY LTD	21,629	34,551
297 shares of CARDINAL FINANCIAL CORPORATION	4,657	4,841
1240 shares of CARNIVAL CORP	39,345	45,595
2602 shares of CARREFOUR S.A.	14,936	13,400
155 shares of CASH AMER INTL INC	7,758	6,149
427 shares of CATERPILLAR INC.	31,164	38,263
1079 shares of CENTRAIS ELECTRICAS BRASIL BRASILEIRAS	14,802	3,366
412 shares of CENTURY LINK INC	14,380	16,117
229 shares of CERNER CORPORATION	16,359	17,750
137 shares of CHECK POINT SOFTWARE TECHNOLOGIES LTD	7,582	6,527
152 shares of CHEMTURA CORPORATION	2,300	3,232
439 shares of CHEVRON CORP	34,699	47,473
340 shares of CHUBB CORP	19,173	25,609
615 shares of CITRIX SYSTEMS INC	36,364	40,356
944 shares of CNO FINANCIAL GROUP INC.	8,545	8,808
45 shares of CNOOC LTD ADS	7,221	9,900
2118 shares of COCA-COLA CO	68,899	76,778
114 shares of COINSTAR, INC.	5,974	5,929
6290 shares of COMCAST CORP	112,805	225,937
457 shares of COMPASS GROUP PLC ADR	5,397	5,475
298 shares of CONOCOPHILLIPS	12,838	17,281
276 shares of CONSOL ENERGY INC.	9,693	8,860
364 shares of COOPER TIRE RUBBER CO	5,870	9,231
90 shares of CORE LABRATORIES	3,899	9,838

Name of Stock	End of Year Book Value	End of Year Fair Market Value
755 shares of COVIDIEN LTD	28,083	43,594
418 shares of CRAY INC	3,479	6,667
1010 shares of CREE, INC.	50,054	34,320
629 shares of CROWN CASTLE INTL	34,740	45,389
229 shares of CSG SYST INTL INC.	4,519	4,163
166 shares of CVR ENERGY, INC.	7,597	8,099
709 shares of CVS CAREMARK CORP.	23,898	34,280
835 shares of DAI NIPPON PRINTING LTD JAPANSPONSORED ADR	11,291	6,480
281 shares of DAIICHI SANKYO CO LTD SPONSORED ADR LEVEL 1	5,354	4,282
471 shares of DAKTRONICS, INC. - COMMON STOCK	4,332	5,219
526 shares of DANA HOLDING CP	9,537	8,211
476 shares of DANAHER CORP	25,816	26,608
61 shares of DASSAULT SYS SA SPN ADR	3,577	6,774
384 shares of DEERE CO	26,356	33,185
349 shares of DELEK US HLDGS INC.	8,523	8,837
289 shares of DELUXE CORPORATION	6,730	9,317
123 shares of DEUTSCHE BANK AG	5,343	5,448
858 shares of DEVON ENERGY CORPORATION	57,027	44,650
527 shares of DIAGEO PLC ADS	39,282	61,438
695 shares of DIRECTV GROUP	27,875	34,861
321 shares of DISCOVERY COMMUNICATIONS CL A	17,302	20,377
818 shares of DOLBY LABORATORIES	40,313	23,992
365 shares of DOLE FOODS COMPANY	5,095	4,187
573 shares of DOMINION RESOURCES INC	25,445	29,681
2176 shares of DOW CHEMICAL PV	72,161	70,350
731 shares of DU PONT DE NEMOURS	31,261	32,879
84 shares of EAGLE MATERIALS INC	4,789	4,914
451 shares of EAST JAPAN RAILWAY C	5,244	4,844
1233 shares of EATON CORP PLC	51,101	66,804
192 shares of EDWARDS LIFESCIENCES	17,833	17,313

Name of Stock	End of Year Book Value	End of Year Fair Market Value
1388 shares of ELECTRICITE FR UNSP/ADR	12,294	5,149
357 shares of ELEKTA B SHS ADR	5,512	5,698
401 shares of EMBRAER EMPRESA BR	9,052	11,433
1286 shares of EMC CORP-MASS	26,728	32,536
617 shares of ENBRIDGE INC	16,293	26,728
251 shares of ENERGY XXI BERMUDA LIMITED	8,391	8,075
231 shares of ENERSYS	7,979	8,693
124 shares of ENNIS BUSINESS FORMS	1,871	1,918
165 shares of ENSIGN RESOURCE SERVICE GROUP INC	2,507	2,549
113 shares of ENTERPRISE FINANCIAL SERVICES CORPORATION	1,694	1,477
117 shares of EOG RESOURCES INC	13,669	14,132
68 shares of EPLUS, INC	2,678	2,811
270 shares of EQT CORPORATION	9,849	15,925
943 shares of ERICSSON L M TEL CO	8,793	9,524
30 shares of ESTERLINE CORP	1,751	1,908
632 shares of EXPRESS SCRIPTS HOLDING CO.	35,066	34,128
280 shares of EXPRESS, INC	4,897	4,225
590 shares of EXXON MOBIL CORP	36,747	51,065
394 shares of FACEBOOK INC	12,937	10,488
521 shares of FAMILY DOLLAR STORES COMMON	30,721	33,037
375 shares of FANUC LIMITED UNSPONSORED	5,939	11,508
196 shares of FBL FINANCIAL GROUP, INC	3,997	6,705
183 shares of FEDEX CORPORATION COMMON STOCK	16,648	16,785
940 shares of FIFTH THIRD BANCORP	14,295	14,288
257 shares of FINISH LINE, INC. THE	4,770	4,865
3708 shares of FINMECCANICA ADR	14,275	10,568
45 shares of FINNING INTL INC	1,170	1,105
242 shares of FIRST AMERICAN CORP THE	5,626	5,830
309 shares of FIRST ENERGY CORP	11,850	12,904
397 shares of FIRST MERCHANTS CORPORATION	4,917	5,891

Name of Stock	End of Year Book Value	End of Year Fair Market Value
7941 shares of FLEXTRONICS INTERNATIONAL	56,168	49,314
922 shares of FLSMIDTH CO A/S S/ADR	6,755	5,320
860 shares of FLUOR CORP NEW	41,819	50,516
4154 shares of FORD MOTOR COMPANY	45,829	53,794
2340 shares of FOREST LABORATORIES	69,444	82,649
1070 shares of FREEPORT-MCMORAN COPPER GOLD INC.	42,281	36,594
350 shares of FRESENIUS MED CAR AG	9,080	12,005
353 shares of FRESH DEL MONTE PROD	8,311	9,302
353 shares of FUJIFILM HOLDINGS	11,234	7,071
117 shares of GEN CABLE CP	2,953	3,558
246 shares of GEN DYNAMICS CP	14,642	17,040
2776 shares of GENERAL ELECTRIC CO	51,395	58,268
332 shares of GENERAL MILLS INC	12,152	13,419
127 shares of GENESCO INC. UNITED STATES	6,898	6,985
33 shares of GENESEE	2,141	2,511
230 shares of GILEAD SCIENCES INC	16,938	16,894
243 shares of GLAXOSMITHKLINE PLC	9,537	10,563
8 shares of GNC CORP	307	266
639 shares of GOLD FIELDS LTD ADS	7,882	7,981
155 shares of GOOGLE INC CL A	97,753	109,644
1795 shares of HALLIBURTON COMPANY	65,836	62,269
377 shares of HANG LUNG PROPERTIES-SP ADR	7,115	7,597
390 shares of HANNI FINANCIAL CORP	4,209	5,300
152 shares of HAWAIIAN TELECOM HOLDING CO	2,829	2,964
235 shares of HEALTHSOUTH CP	5,099	4,961
175 shares of HEARTLAND FINANCIAL USA, INC.	4,463	4,576
460 shares of HELIX ENERGY SOLUTIONS GROUP INC	7,891	9,494
1828 shares of HENNES MAURITZ AB	10,498	12,631
28 shares of HI-TECH PHARMACAL CO., INC.	883	979
143 shares of HILLENBRAND, INC	2,494	3,233

Name of Stock	End of Year Book Value	End of Year Fair Market Value
462 shares of HOME DEPOT INC.	13,843	28,575
574 shares of HOME RETAIL GRP PLC ADR	4,215	4,713
110 shares of HOMESTREET INC	2,769	2,811
1137 shares of HONEYWELL INTERNATIONAL INC.	62,668	72,165
427 shares of HONG KONG EXCL UNSP/ADR	7,770	7,370
970 shares of HOSPIRA INC W/I	42,505	30,303
211 shares of HSBC HLDGS PLC ADS	9,712	11,198
127 shares of I T T EDUCATION SVCS	6,926	2,198
217 shares of ICONIX BRAND GROUP, INC	3,837	4,843
183 shares of IDACORP INC HLDG CO	7,820	7,933
537 shares of ILLUMINA INC COM	27,469	29,852
2065 shares of IMMUNOGEN, INC	15,867	26,329
214 shares of IMPALA PLATINUM LTD S/ADR	4,019	4,269
608 shares of INDUSTRIAL COM UNSP/ADR	9,400	8,628
540 shares of ING GROUP N V SPONSORED ADR	3,339	5,125
405 shares of INGERSOL-RAND PLC	17,586	19,424
167 shares of INNOSPEC INC	5,554	5,760
161 shares of INSIGHT ENTERPRISES, INC.	2,977	2,797
693 shares of INTEL CORP	12,553	14,290
332 shares of INTERNATIONAL BUSINESS MACHINES	53,916	63,595
33 shares of INVACARE CORP	517	538
3175 shares of ISHARES MSCI EMERGING MARKETS INDEX FD	125,394	140,811
350 shares of ISHARES RUSSELL 2000 GROWTH INDEX	23,796	33,359
2125 shares of ISHARES TRUST MSCI EAFE INDEX FUND	120,164	120,828
4135 shares of ISHARES TRUST RUSSELL 1000 GROWTH INDEX FD	216,223	270,800
2769 shares of ISHARES TRUST RUSSELL 1000 VALUE INDEX FUND	195,616	201,639
380 shares of ISHARES TRUST RUSSELL 2000 VALUE INDEX FUND	24,584	28,694
1661 shares of ISIS PHARMACEUTICALS, INC.	14,864	17,341
678 shares of JETBLUE AIRWAYS CORPORATION - COMMON STOCK	3,623	3,878
662 shares of JOHNSON JOHNSON	44,624	46,406

Name of Stock	End of Year Book Value	End of Year Fair Market Value
326 shares of JOHNSON CONTROLS INC.	12,794	9,998
484 shares of JOY GLOBAL INC.	39,137	30,870
1332 shares of JP MORGAN CHASE CO	50,965	58,567
1775 shares of KBR INC	55,943	53,108
364 shares of KDDI CP UNSP ADR	6,238	6,414
305 shares of KELLY SERVICES INC CL A	4,543	4,801
193 shares of KIMBALL INTERNATIONAL, INC.	2,436	2,241
214 shares of KIMBERLY CLARK CORP	14,223	18,068
733 shares of KINDER MORGAN INC	26,759	25,897
1494 shares of KINGFISHER PLC	10,921	13,805
1253 shares of KINROSS GOLD CORP	16,114	12,179
506 shares of KOMATSU LTD.	10,647	13,009
67 shares of KOOKMIN BK ADS NEW	2,359	2,405
582 shares of KORN FERRY INTL	9,013	9,231
494 shares of KRAFT FOODS GROUP, INC.	21,636	22,462
471 shares of L BRANDS INC	15,707	22,165
815 shares of L-3 COMMUNICATIONS CORP	53,777	62,445
51 shares of LANCASTER COLONY CORPORATION	3,694	3,529
187 shares of LAS VEGAS SANDS CORP	8,301	8,632
440 shares of LEAPFROG ENTERPRISES INC.	3,462	3,797
14965 shares of LEGG MASON SMASH SERIES C FUND	137,323	145,311
15937 shares of LEGG MASON SMASH SERIES EC FUND	139,944	146,146
43099 shares of LEGG MASON SMASH SERIES M FUND	444,344	449,951
1988 shares of LI FUNG UNSP/ADR	7,273	7,117
2365 shares of LIBERTY INTERACTIVE CORP	24,443	46,543
575 shares of LIBERTY MEDIA CORPORATION COM	27,427	66,706
734 shares of LIFE TECHNOLOGIES CORP	34,679	35,988
202 shares of LINKEDIN CORPORATION CLASS A	21,445	23,194
176 shares of LORILLARD INC COMMON STOCK	14,387	20,534
106 shares of LSB INDUSTRIES INC	4,239	3,755

Name of Stock	End of Year Book Value	End of Year Fair Market Value
433 shares of LVMH MOET HENN UNSP	10,425	16,320
61 shares of MAGELLAN HEALTH SERVICES, INC.	3,134	2,989
129 shares of MANPOWER INC. WIS	4,285	5,475
214 shares of MANTECH INTERNATIONAL CORPORATION - COMMON STOCK	7,351	5,551
285 shares of MANULIFE FIN CORP	8,685	3,873
462 shares of MARATHON OIL CORP COM	9,031	14,165
231 shares of MARATHON PETROLEUM CORP	6,164	14,553
260 shares of MARINE HARVEST ASA	2,758	4,758
400 shares of MCDONALDS CORP	30,703	35,284
322 shares of MEADOWBROOK INS GRP	2,279	1,861
544 shares of MEADWESTVACO CORP	11,402	17,337
420 shares of MENTOR GRAPHICS CORP	5,389	7,148
87 shares of MERCADOLIBRE, INC.	5,572	6,834
560 shares of MERCK CO INC.	19,958	22,926
1615 shares of METLIFE INC.	61,291	53,198
435 shares of MICHELIN CIE GEN UNSP/ADR	6,313	8,348
4792 shares of MICROSOFT CORPORATION	132,492	127,993
42 shares of MIDDLEBY CORPORATION THE	5,052	5,385
1542 shares of MITSUBISHI TOKYO FIN	8,075	8,358
883 shares of MONDELEZ INTERNATIONAL INC	22,642	22,475
557 shares of MONSANTO CO	41,373	52,720
340 shares of MONTPELIER RE HLDGS	7,318	7,772
211 shares of MOOG INC CL A	7,614	8,657
1333 shares of MSAD INS GROUP ADR	14,830	13,197
100 shares of MUELLER IND INC	5,019	5,003
1075 shares of NABORS INDUSTRIES LTD	27,918	15,534
690 shares of NATL OILWELL VARCO	28,386	47,162
220 shares of NEENAH PAPER INC	6,246	6,263
320 shares of NELNET INC	6,737	9,533
525 shares of NESTLE S.A.	25,095	34,214

Name of Stock	End of Year Book Value	End of Year Fair Market Value
401 shares of NEWCREST MINING LTD-SPON ADR	11,307	9,468
720 shares of NEXTERA ENERGY, INC	44,277	49,817
421 shares of NINTENDO CO LTD ADR OTC	12,825	5,604
138 shares of NINTENDO CO LTD ADR UNSPON	1,791	1,837
637 shares of NIPPON TELEPHONE ADR	13,368	13,396
770 shares of NOBLE CORPORATION	38,386	26,811
795 shares of NORFOLK SOUTHERN CORP	53,615	49,163
385 shares of NORTHEAST UTIL	11,331	15,046
241 shares of NORTHROP GRUMMAN CORP	11,885	16,287
379 shares of NOVARTIS AG ADR	20,577	23,991
90 shares of NOVO NORDISK A S	6,110	14,689
1100 shares of NUCOR CP	44,076	47,476
280 shares of OREILLY AUTOMOTIVE INC.	26,394	25,038
1042 shares of OAO GAZPROM SPONS GDR	10,450	10,141
931 shares of OCCIDENTAL PETROLEUM CORP	78,853	71,324
157 shares of OLD DOMINION FREIGHT LINES	4,236	5,382
436 shares of OLIN CP	8,931	9,413
259 shares of OMNIVISION TECHNOLOGIES	4,216	3,647
5319 shares of ON SEMICONDUCTOR CORP	45,969	37,499
308 shares of ORKLA ASA SPON ADR	2,283	2,695
1105 shares of PALL CP	41,489	66,587
1073 shares of PANASONIC CORP	13,163	6,513
537 shares of PARTNERRE LTD. COM	37,345	43,223
277 shares of PEABODY ENERGY CORP	12,658	7,371
409 shares of PEARSON PLC	7,701	7,992
418 shares of PENTAIR INC. COM	12,634	20,545
2130 shares of PFIZER INC.	42,822	53,419
401 shares of PHH CORP NEW	8,867	9,123
749 shares of PHILIP MORRIS INTL	48,938	62,646
149 shares of PHILLIPS 66	3,815	7,912

Name of Stock	End of Year Book Value	End of Year Fair Market Value
136 shares of PLATINUM UNDERWRITERS HOLDINGS LTD	5,125	6,256
722 shares of POLYUS GOLD INTL LTD GDR LEVEL 1	2,482	2,368
689 shares of POTASH CORPORATION OF SASKATCHEWAN INC	21,285	28,035
208 shares of PRAXAIR INC.	18,407	22,766
250 shares of PRECISION CASTPARTS	32,182	47,355
188 shares of PRIMERICA, INC.	4,506	5,642
182 shares of PROASSURANCE CORP	5,372	7,679
1809 shares of PROCTER GAMBLE CO	113,999	122,813
122 shares of PROVIDENCE SERVICE CORP	2,053	2,073
80 shares of PROVIDENT FINANCIAL HOLDINGS INC.	1,380	1,400
948 shares of PRUDENTIAL FINCL INC	48,034	50,557
388 shares of PUBLIC SVC ENTERPRISE GROUP INC.	12,570	11,873
688 shares of PUBLICIS GROUPE S.A	7,580	10,430
106 shares of QLOGIC CORPORATION	1,167	1,031
680 shares of QUALCOMM INC	40,994	42,065
78 shares of QUESTCOR PHARMACEUTICALS, INC.	3,234	2,084
662 shares of RANGE RESOURCES CORP DEL	35,790	41,593
517 shares of RAYTHEON CO.	23,226	29,759
966 shares of RECKITT BENCKISER GRP PLC ADR	9,854	12,384
5256 shares of REGIONS FINANCIAL CORP	34,183	37,475
267 shares of RENT A CTR INC NEW	9,401	9,174
769 shares of RIO TINTO PLC SPONSORED ADR	52,753	44,671
500 shares of ROCKWELL AUTOMAT INC	34,505	41,995
402 shares of ROHM CO LTD UNSP ADR	11,506	6,569
529 shares of ROYAL BANK SCOTLAND ADS	5,288	5,708
678 shares of ROYAL DUTCH SHELL PLC	46,604	46,748
137 shares of SABMILLER PLC S/ADR	3,906	6,410
112 shares of SANDERSON FARMS INC	5,315	5,326
1718 shares of SANDISK CORP	68,767	74,733
323 shares of SANMINA-SCI CORPORATION	4,363	3,576

Name of Stock	End of Year Book Value	End of Year Fair Market Value
267 shares of SANOFI-AVENTIS SPONSORED ADR	10,392	12,650
172 shares of SAP AKTIENGESELL ADS	8,173	13,825
457 shares of SBERBANK SPONSORED ADR	4,857	5,562
1138 shares of SCHLUMBERGER LTD	84,276	78,862
181 shares of SCHWEITZER MAUDIT	6,386	7,064
5035 shares of SEAGATE TECHNOLOGY	54,362	153,165
720 shares of SEKISUI HOUSE LTD	6,919	7,826
199 shares of SEMPRA ENERGY COM	10,541	14,117
138 shares of SEVEN I HOLDINGS C	6,081	7,776
126 shares of SHERWIN-WILLIAMS CO.	17,768	19,381
628 shares of SHISEIDO CO LTD	11,062	8,836
149 shares of SIEMENS A G ADR	15,164	16,311
125 shares of SIX FLAGS ENTERTAINMENT CORPORATION	5,958	7,650
730 shares of SK TELECOM ADS ADS	12,609	11,556
503 shares of SOUTHERN CO	18,865	21,533
117 shares of SOUTHERN COPPER CORP	3,793	4,430
247 shares of SPANSION INC CLASS A	3,238	3,436
161 shares of STANDARD MOTOR PRODS	3,028	3,577
479 shares of STANLEY BLACK DECKER INC	34,495	35,432
889 shares of STARBUCKS CORP COM	32,432	47,677
2820 shares of SUMITOMO MITSUI TR HOLDINGS SPON ADR	9,687	9,729
740 shares of SUNCOR ENERGY INC	30,068	24,405
1727 shares of SUPERIOR ENERGY SV	45,991	35,783
372 shares of SWATCH GROUP AG	7,169	9,449
248 shares of SWISSCOM AG S/ADR	8,314	10,726
3324 shares of SYMANTEC CORP	57,579	62,558
75 shares of SYNGENTA AG ADS	5,031	6,060
257 shares of SYNEX CORP	9,772	8,836
358 shares of TAIWAN SEMICONDUCTOR MFG CO LTD	5,059	6,143
1049 shares of TALISMAN ENERGY INC	14,660	11,885

Name of Stock	End of Year Book Value	End of Year Fair Market Value
897 shares of TARGET CORPORATION	46,253	53,075
316 shares of TAYLOR CAPITAL GROUP INC.	5,397	5,704
2135 shares of TE CONNECTIVITY LTD	56,213	79,251
142 shares of TECK COMINCO LIMITED CL B SV	5,009	5,162
1212 shares of TELECOM ITALIA SPA	13,624	9,575
550 shares of TENARIS SA-ADR	24,906	23,056
362 shares of TENCENT HOLDINGS LIMITED	7,503	11,630
167 shares of TENNECO INC	5,294	5,863
267 shares of TERADATA CORPORATION	18,178	16,525
521 shares of TEVA PHARMECEUTICAL SP ADR	24,930	19,454
1015 shares of THE MOSAIC CO	61,451	57,479
209 shares of TITAN INTERNATIONAL INC - ILL	4,467	4,539
223 shares of TORONTO DOMINION	18,357	18,806
477 shares of TOTAL FINA ELF S.A.	23,572	24,809
95 shares of TOWER GROUP INC	2,213	1,690
238 shares of TOYOTA MTR CORP	18,683	22,194
390 shares of TRANSOCEAN LTD.	46,791	17,417
586 shares of TRAVELERS COMPANIES INC THE	29,480	42,087
67 shares of TRIUMPH GROUP INC	3,719	4,375
555 shares of TULLOW OIL PLC 899415202	5,398	5,783
1123 shares of TURKIYE GARANTI BANK	5,243	5,827
1745 shares of TYCO INTERNATIONAL LTD.	34,296	51,041
1411 shares of UBS AG	23,489	22,209
1729 shares of UNILEVER N V N Y	55,513	66,221
549 shares of UNION PACIFIC	52,946	69,020
247 shares of UNISYS CP	5,162	4,273
255 shares of UNITED STATIONERS INC.	7,232	7,902
447 shares of UNITED TECHNOLOGIES CORP	31,005	36,658
3111 shares of UNITEDHEALTH GROUP INC.	107,905	168,741
89 shares of UNIVL CORP	3,842	4,442


Name of Stock	End of Year Book Value	End of Year Fair Market Value
264 shares of US AIRWAYS GROUP INC	1,352	3,564
779 shares of US BANCORP DEL NEW	17,558	24,881
193 shares of USANA HEALTH SCIENCES INC.	7,681	6,355
312 shares of V F CORP	24,822	47,103
438 shares of VAALCO ENERGY INC	3,936	3,789
730 shares of VALE SA	24,302	15,301
1712 shares of VALERO ENERGY CORP NEW	49,850	58,413
472 shares of VALUECLICK INC	8,510	9,162
2631 shares of VERIZON COMMUNICATIONS	97,501	113,843
1538 shares of VERTEX PHARMCTLS INC	68,152	64,442
280 shares of VILASSIS COMMUNICATIONS INC	8,371	7,218
31 shares of VITAMIN SHOPPE INC	1,737	1,778
226 shares of VIVENDI SA	3,882	5,155
3308 shares of VODAFONE GROUP PLC	85,440	83,329
111 shares of WACOAL CORP ADR	6,319	5,736
207 shares of WAL-MART DE MEX V SP/ADR	4,741	6,785
306 shares of WAL-MART STORES INC.	15,862	20,878
6654 shares of WEATHERFORD INTL NEW	116,909	74,458
134 shares of WELLCARE HEALTH PLANS INC	6,911	6,524
1358 shares of WELLS FARGO CO.	34,550	46,416
139 shares of WEST PHARMA SVCS INC	7,653	7,610
305 shares of WESTERN REFINING INC	5,381	8,598
84 shares of WEX INC	5,752	6,331
854 shares of WEYERHAEUSER CO	13,885	23,758
884 shares of WILLIS GROUP HOLDINGS LTD	33,496	29,641
929 shares of WILSHIRE BANCORP INC	5,569	5,453
544 shares of WOLTERS KLUWER S/ADR	11,910	11,244
57 shares of WORTHINGTON INDUSTRIES INC.	1,150	1,481
256 shares of YANDEX N V	7,263	5,514
25 shares of YARA INTERNATIONAL ASA	918	1,244

Name of Stock	End of Year Book Value	End of Year Fair Market Value
117 shares of YUM BRANDS INC	7,810	7,769

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Shelley Adamo	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Catherine E Carr PhD	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Graeme W Davis	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Bernice Grafstein	VP / Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Henry J Grass	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Ronald R Hoy	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Kamran Khodakhah	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Richard F Larkin	Treas / Trustee 002 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Jeffrey Noebels	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Felix E Schweizer	Pres / Trustee 003 00	13,940		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Amy R Segal	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Janis C Weeks	Pres / Trustee 002 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				
Steven J Zottoli	Trustee 001 00	0		
Foundation Source 501 Silverside Rd Wilmington, DE 19809				

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN NEUROLOGICAL ASSOCIATION 5841 CEDAR LAKE RD S STE 204 MINNEAPOLIS,MN 55416	N/A	509a2	The Grass Foundation - ANA Award in Neuroscience	4,500
CORNELL UNIVERSITY 130 E SENECA ST STE 400 ITHACA,NY 14850	N/A	509a1	Facts, Advocacy, and Control of Epileptic Seizures	2,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE,MA 02543	N/A	509a1	Albert and Ellen Grass - MBL Faculty Grant Program	55,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE,MA 02543	N/A	509a1	Neural Systems Behavior NSB Course	50,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE,MA 02543	N/A	509a1	Neurobiology Course	50,000
SOCIETY FOR NEUROSCIENCE 1121 14TH ST STE 1010 WASHINGTON,DC 20005	N/A	509a2	Albert and Ellen Grass Lecture Program	20,000
Total  3a				181,500