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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

, 2012, and ending

, 20

Name of foundation

THE HOWARD FOUNDATION

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

1 WEST 4TH STREET D4000-041

City or town, state, and ZIP code

WINSTON SALEM, NC 27101

G Check all that apply:

☐ Initial return☐ Final return☒ Address change

Initial return of a former public charity

Amended return

Name change

H Check type of organization.

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end

of year (from Part II, col (c), line

16) ▶ \$ 932,005.

J Accounting method:

☒ Cash ☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis.)

A Employer identification number

56-2050997

B Telephone number (see instructions)

336-747-8002

C If exemption application is
pending, check here

D 1 Foreign organizations, check here

2 Foreign organizations meeting the
85% test, check here and attach
computationE If private foundation status was terminated
under section 507(b)(1)(A), check hereF If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here**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)

1 Contributions, gifts, grants, etc., received (attach schedule)

2 Check ☒ if the foundation is not required to
attach Sch. B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all
assets on line 6a 957,650.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns
and allowances

b Less Cost of goods sold

c Gross profit or (loss) (attach schedule)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach schedule)

c Other professional fees (attach schedule)

17 Interest

18 Taxes (attach schedule) (see instructions) STMT 3

19 Depreciation (attach schedule) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

24 Total operating and administrative expenses

Add lines 13 through 23

25 Contributions, gifts, grants paid

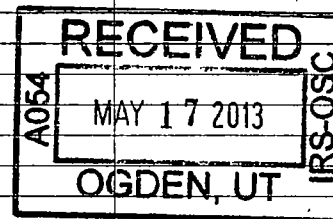
26 Total expenses and disbursements Add lines 24 and 25

27 Subtract line 26 from line 12.

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

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	4,297.	942.	942.	
	2	Savings and temporary cash investments	39,802.	29,296.	29,296.	
	3	Accounts receivable ▶				
		Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less allowance for doubtful accounts ▶	NONE			
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)	STMT 4	481,280.	665,567.	689,483.
	c	Investments - corporate bonds (attach schedule)	STMT 6	223,085.		
	11	Investments - land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule) ▶					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)	STMT 7		206,400.	212,284.	
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)		748,464.	902,205.	932,005.	
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)			NONE	
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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds	748,464.	902,205.		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)	748,464.	902,205.		
31	Total liabilities and net assets/fund balances (see instructions)	748,464.	902,205.			

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	748,464.
2	Enter amount from Part I, line 27a	2	153,783.
3	Other increases not included in line 2 (itemize) ▶ COST BASIS ADJUSTMENT	3	3.
4	Add lines 1, 2, and 3	4	902,250.
5	Decreases not included in line 2 (itemize) ▶ MUTUAL FUND TIMING DIFFERENCE	5	45.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	902,205.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a PUBLICLY TRADED SECURITIES					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a 957,650.		772,455.	185,195.		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any			
a			185,195.		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	185,195.	
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 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	46,182.	942,701.	0.048989
2010	60,435.	895,775.	0.067467
2009	53,939.	789,500.	0.068320
2008	65,643.	1,032,562.	0.063573
2007	93,953.	1,275,063.	0.073685
2 Total of line 1, column (d)			2 0.322034
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.064407
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 920,255.
5 Multiply line 4 by line 3			5 59,271.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,017.
7 Add lines 5 and 6			7 61,288.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions			8 46,649.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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)		1	4,034.
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			
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	4,034.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,034.
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,180.	
b Exempt foreign organizations - tax withheld at source	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,180.	
8 Enter any penalty for underpayment of estimated tax. Check here <input 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	2,854.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ SEE STATEMENT 8 Telephone no ▶ _____			
Located at ▶ _____ ZIP+4 ▶ _____				
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	Yes	No
				X
See the 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 instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
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	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a At the end of tax year 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 ▶ _____		
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	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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? ☐ Yes ☒ No **6b**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No **7b****b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?**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
WELLS FARGO BANK, NA 1525 W WT HARRIS BLVD D1114-044, CHARLOTTE, NC 28288-	TRUSTEE 4	6,596.		- 0 -

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 ☐

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services** (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation

Total number of others receiving over \$50,000 for professional services **NONE**

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 NONE	

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 NONE	

2	

All other program-related investments See instructions	
3 NONE	

Total. Add lines 1 through 3

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	874,264.
b	Average of monthly cash balances	1b	60,005.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	934,269.
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	NONE
3	Subtract line 2 from line 1d	3	934,269.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	14,014.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	920,255.
6	Minimum investment return. Enter 5% of line 5	6	46,013.

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	46,013.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	4,034.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,034.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	41,979.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	41,979.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	41,979.

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	1a	46,649.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	46,649.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	46,649.

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				41,979.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			NONE	
b Total for prior years 20 <u>10</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2012				
a From 2007	32,308.			
b From 2008	14,469.			
c From 2009	14,786.			
d From 2010	17,064.			
e From 2011	227.			
f Total of lines 3a through e	78,854.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ <u>46,649.</u>				
a Applied to 2011, but not more than line 2a . . .			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2012 distributable amount				41,979.
e Remaining amount distributed out of corpus . .	4,670.			
5 Excess distributions carryover applied to 2012 . (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	83,524.			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . .	NONE			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . .	32,308.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	51,216.			
10 Analysis of line 9				
a Excess from 2008 . . .	14,469.			
b Excess from 2009 . . .	14,786.			
c Excess from 2010 . . .	17,064.			
d Excess from 2011 . . .	227.			
e Excess from 2012 . . .	4,670.			

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

NOT APPLICABLE

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 foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:**

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

N/A

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

N/A

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

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

a The name, address, and telephone number or e-mail 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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE STATEMENT 13				45,000.
Total			3a	45,000.
b Approved for future payment				
Total			3b	

Form 990-PF (2012)

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

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

[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**

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

Wells Fargo Bank, N A.
Signature of officer or trustee

04/10/2013
Date

Trustee
Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature _____

Date

Check ☒ if self-employed

PTIN	
------	--

JOSEPH J. CASTRIANO

Firm's name ► PRICEWATERHOUSECOOPERS, LLP

Firm's address ► 600 GRANT STREET
PITTSBURGH, PA

15219-2777

Phone no 412-355-6000

Form **990-PF** (2012)

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

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
DIAMOND HILL LONG-SHORT FD CL I #11	129.	129.
DREYFUS EMG MKT DEBT LOC C-I #6083	641.	641.
FEDERATED STRAT VAL DIV FD IS #662	85.	85.
GATEWAY FUND - Y #1986	239.	239.
HUSSMAN STRATEGIC GROWTH FD	286.	286.
ISHARES MSCI EAFE INDEX FD	4,029.	4,029.
ISHARES TR-S&P MIDCAP 400 GROWTH IND	320.	320.
ISHARES S&P MIDCAP 400/BARRA VALUE	524.	524.
ISHARES S & P SMALLCAP 600 INDEX FUND	984.	984.
JPMORGAN HIGH YIELD FUND SS #3580	223.	223.
LAUDUS MONDRIAN INTL FI-INST #2940	153.	153.
LOOMIS SAYLES BOND FD INSTL #1162	108.	108.
MERGER FD SH BEN INT	286.	286.
PIMCO FDS PAC INV MT MGMT SER TOTAL RETURN	146.	146.
PIMCO FOREIGN BOND FUND-INST	481.	481.
PIMCO EMERG MKTS BD-INST #137	140.	140.
RIDGEWORTH SEIX HY BD-I #5855	2,447.	2,447.
SPDR DJ WILSHIRE INTERNATIONAL REAL	2,642.	2,642.
MFC SELECT SECTOR SPDR TR SHS BEN INT-MA	87.	87.
HEALTH CARE SELECT SECTOR SPDR FD	433.	433.
CONSUMER STAPLES SELECT SECTOR SPDR FD	535.	535.
CYCLICAL/TRANS SEL SECTOR SPDR FD	293.	293.
SECTO SPDR TRUST (ENERGY) SHARES OF BENE	309.	309.
FINANCIAL SELECT SECTOR SPDR FD	485.	485.
INDUSTRIAL SELECT SECTOR SPDR FD	392.	392.
TECHNOLOGY SELECT SECTOR SPDR FD	632.	632.
UTILITIES SELECT SECTOR SPDR FD	23.	23.
VANGUARD INTERMEDIATE TERM B	1,061.	1,061.
VANGUARD SHORT TERM BOND ETF	930.	930.
VANGUARD MSCI EMERGING MARKETS EFT	2,049.	2,049.
VANGUARD REIT VIPER	1,278.	879.
FEDERATED TREAS OBL FD 68	7.	7.

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

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
TOTAL	22,377.	21,978.
	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FEDERAL TAX PAYMENT - PRIOR YE	468.	
FEDERAL ESTIMATES - PRINCIPAL	1,180.	
FOREIGN TAXES ON QUALIFIED FOR	405.	405.
FOREIGN TAXES ON NONQUALIFIED	140.	140.
	-----	-----
TOTALS	2,193.	545.
	=====	=====

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
04315J837 ARTIO INTERN		
256206103 DODGE & COX INTER		
256210105 DODGE & COX INC		
318142Y401 GOLDMAN SACHS GROWT		
413838202 OAKMARK FUNDS		
47103C241 PERKINS MID CAP		
4812C0803 JPMORGAN HIGH YIELD		
543495840 LOOMIS SAYLES BD		
693390700 PIMCO TOT. RTN		
693390882 PIMCO FOREIGN		
693391559 PIMCO EMERGING MARKE		
780905451 ROYCE PREMIER FUND		
784924425 SSGA EMERGING MKT		
922031869 VANGUARD INFLATION P		
922040100 VANGUARD INSTIT		
94984B181 WELLS FARGO ADV. INT		
94985D705 WELLS FARGO ADVANT		
949915565 WELLS FARGO ADV. END		
961323409 WESTPORT FUNDS SELEC		
314172560 FEDERATED STRAT VAL		
44980Q518 ING INTERNATIONAL RE		
722005667 PIMCO COMMODITY REAL		
779919109 T ROWE PRICE REAL ES		
87234N302 TCW FUNDS SELECT EQU		
22544R305 CREDIT SUISSE COMM R	44,434.	42,374.
25264S833 DIAMOND HILL LONG-SH	35,913.	36,955.
367829884 GATEWAY FUND - Y #19	21,973.	21,757.
448108100 HUSSMAN STRATEGIC GR	22,290.	20,146.
464287465 ISHARES MSCI EAFE	112,064.	118,212.

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
-----	-----	---
464287606 ISHARES S&P MIDCAP 4	31,803.	33,064.
464287705 ISHARES S&P MIDCAP 4	25,745.	27,059.
464287804 ISHARES CORE S&P SMA	57,700.	59,590.
589509108 MERGER FD SH BEN INT	17,288.	17,453.
78463X863 SPDR DJ WILSHIRE INT	33,592.	38,910.
81369Y100 AMEX MATERIALS SPDR	3,716.	3,716.
81369Y209 AMEX HEALTH CARE SPD	19,584.	21,575.
81369Y308 CONSUMER STAPLES SEC	15,941.	16,961.
81369Y407 AMEX CONSUMER DISCR	16,063.	17,837.
81369Y506 AMEX ENERGY SELECT S	16,047.	15,570.
81369Y605 AMEX FINANCIAL SELEC	24,397.	27,109.
81369Y704 AMEX INDUSTRIAL SPDR	16,273.	16,487.
81369Y803 AMEX TECHNOLOGY SELE	35,184.	35,918.
922042858 VANGUARD MSCI EMERGI	82,220.	83,850.
922908553 VANGUARD REIT VIPER	33,340.	34,940.
	-----	-----
TOTALS	665,567.	689,483.
	=====	=====

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART II - CORPORATE BONDS

=====

DESCRIPTION

256210105 DODGE & COX INCOME F
4812C0803 JPMORGAN HIGH YIELD
543495840 LOOMIS SAYLES BOND F
693390700 PIMCO TOTAL RET FD-I
693390882 PIMCO FOREIGN BD FD
693391559 PIMCO EMERG MKTS BD-
922031869 VANGUARD INFLAT PROT
94985D582 WELLS FARGO ADV INTL

TOTALS

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART II - OTHER INVESTMENTS

=====

DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
-----	-----	-----	---
44980Q518 ING INTERN RE	C		
722005667 PIMCO COMMODITY REAL	C		
779919109 T ROWE PRICE REAL	C		
261980494 DREYFUS EMG MKT DEBT	C	43,233.	45,920.
51855Q655 LAUDUS MONDRIAN INTL	C	7,860.	7,681.
693390882 PIMCO FOREIGN BD FD	C	6,542.	7,681.
76628T645 RIDGEWORTH SEIX HY B	C	46,740.	48,928.
921937819 VANGUARD INTERMEDIAT	C	34,541.	34,771.
921937827 VANGUARD SHORT TERM	C	67,484.	67,303.
		-----	-----
TOTALS		206,400.	212,284.
		=====	=====

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: WELLS FARGO BANK, INC

ADDRESS: ONE WEST 4TH STREET, D4000-062
WINSTON-SALEM, NC 27101-4000

TELEPHONE NUMBER: (336)747-8002

STATEMENT 8

RECIPIENT NAME:
FRIENDS OF THE HOWARD HOUSE
ADDRESS:
1108 MERRY STREET
DUNN, NC 28334
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:
WAKE FOREST UNIVERSITY
ADDRESS:
PO BOX 7227
WINSTON-SALEM, NC
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID 2,000.

RECIPIENT NAME:
USO OF NORTH CAROLINA
ADDRESS:
PO BOX 91536
RALEIGH, NC 27675-1536
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT GRANT
FOUNDATION STATUS OF RECIPIENT:
501(C)(3) PUB CHARITY
AMOUNT OF GRANT PAID 500.

RECIPIENT NAME:
WHITE MEMORIAL PRESBYTERIAN CHURCH
ADDRESS:
1704 OBERLIN ROAD
RALEIGH, NC 27608
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID 18,000.

RECIPIENT NAME:
YMCA of THE TRIANGLE
CAMPANNUALFUND
ADDRESS:
218 SEA GULL LANDING
ARAPAHOE, NC 28510
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:
UNC CHAPEL HILL KENAN-FLAGLER
BUSINESS SCHOOL FOUNDATION
ADDRESS:
PO BOX 309
CHAPEL HILL, NC 27514-9931
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID 1,000.

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

NC MUSEUM OF HISTORY ASSOCIATES

ADDRESS:

FIVE EAST EDENTON STREET

RALEIGH, NC 27690-0106

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

FRIENDS OF NC MUSEUM OF NA

SCIENCES

ADDRESS:

PO BOX 26928

RALEIGH, NC 27611-6928

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

STEP-UP MINISTRIES

ADDRESS:

1701 OBERLIN ROAD

RALEIGH, NC 27608

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL SUPPORT

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,000.

STATEMENT 11

=====

RECIPIENT NAME:

TRIANGLE UNITED WAY

ADDRESS:

PO BOX 110387

RTP, NC 27709

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 2,500.

RECIPIENT NAME:

RALEIGH FINE ARTS SOCIETY

ADDRESS:

PO BOX 10614

RALEIGH, NC 27603-1689

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

UNC-TV

ADDRESS:

PO BOX 6000067

RALEIGH, NC 27675-900

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 1,000.

THE HOWARD FOUNDATION

56-2050997

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

CONVERSE COLLEGE

ADDRESS:

580 EAST MAIN STREET

SPARTANBURG, SC 29302-0006

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 10,000.

TOTAL GRANTS PAID:

45,000.

=====

STATEMENT 13