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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn 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 SEP 1, 2012, and ending AUG 31, 2013

Name of foundation THE HERBERT JONES FOUNDATION C/O KEYBANK PRIVATE BANK, TRUST OFFICER		A Employer identification number 94-3124801
Number and street (or P.O. box number if mail is not delivered to street address) 601 108TH AVE NE, SUITE 260	Room/suite	B Telephone number 425-709-4209
City or town, state, and ZIP code BELLEVUE, WA 98004		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <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"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 11,350,911. (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		62,071.	62,071.		STATEMENT 1
4 Dividends and interest from securities		224,760.	224,760.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		141,971.			
b Gross sales price for all assets on line 6a 2,258,371.					
7 Capital gain net income (from Part IV, line 2)			141,971.		
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)					
11 Other income		431.	431.		STATEMENT 3
12 Total. Add lines 1 through 11.		429,233.	429,233.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		2,130.	1,065.		1,065.
c Other professional fees STMT 5		60,285.	3,014.		57,271.
17 Interest					
18 Taxes STMT 6		7,567.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		3,074.	1,174.		1,900.
24 Total operating and administrative expenses. Add lines 13 through 23		73,056.	5,253.		60,236.
25 Contributions, gifts, grants paid		485,510.			485,510.
26 Total expenses and disbursements. Add lines 24 and 25		558,566.	5,253.		545,746.
27 Subtract line 26 from line 12		-129,333.			
a Excess of revenue over expenses and disbursements			423,980.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

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LHA For Paperwork Reduction Act Notice, see instructions.

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THE HERBERT JONES FOUNDATION

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		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	440,960.	715,989.	715,989.	
	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				
	7 Other notes and loans receivable ▶				
	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 STMT 8	562,582.	461,334.	468,166.	
	b Investments - corporate stock STMT 9	3,300,817.	3,447,753.	5,265,078.	
	c Investments - corporate bonds STMT 10	602,243.	252,998.	268,988.	
11 Investments - land, buildings, and equipment basis ▶					
Less: accumulated depreciation ▶					
12 Investments - mortgage loans					
13 Investments - other STMT 11	4,213,175.	4,112,370.	4,632,690.		
14 Land, buildings, and equipment basis ▶					
Less: accumulated depreciation ▶					
15 Other assets (describe ▶)					
16 Total assets (to be completed by all filers)	9,119,777.	8,990,444.	11,350,911.		
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				
	22 Other liabilities (describe ▶)				
23 Total liabilities (add lines 17 through 22)	0.	0.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds	9,119,777.	8,990,444.		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	9,119,777.	8,990,444.			
31 Total liabilities and net assets/fund balances	9,119,777.	8,990,444.			

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	9,119,777.
2 Enter amount from Part I, line 27a	2	-129,333.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	8,990,444.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,990,444.

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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			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 2,258,371.		2,116,400.	141,971.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			141,971.

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	141,971.
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) If (loss), enter -0- in Part I, line 8		3	N/A

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	526,806.	10,510,665.	.050121
2010	599,717.	11,076,860.	.054141
2009	484,211.	10,506,499.	.046087
2008	546,058.	9,565,317.	.057087
2007	589,688.	12,192,245.	.048366

2 Total of line 1, column (d)	2	.255802
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	.051160
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	11,075,913.
5 Multiply line 4 by line 3	5	566,644.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,240.
7 Add lines 5 and 6	7	570,884.
8 Enter qualifying distributions from Part XII, line 4	8	545,746.

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.

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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	8,480.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		3	8,480.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	8,480.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	6,240.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments		6c	
a 2012 estimated tax payments and 2011 overpayment credited to 2012		6d	
b Exempt foreign organizations - tax withheld at source		7	6,240.
c Tax paid with application for extension of time to file (Form 8868)		8	
d Backup withholding erroneously withheld		9	2,240.
7 Total credits and payments. Add lines 6a through 6d		10	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		11	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			

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 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"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
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"/> WA		
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? Website address ► <u>HTTP://WWW.HBJFOUNDATION.COM</u>	13	X	
14	The books are in care of ► <u>KEYBANK NATIONAL ASSOCIATION</u> Telephone no ► <u>425-709-4209</u> Located at ► <u>601 - 108TH AVE NE, SUITE 260, BELLEVUE, WA</u> ZIP+4 ► <u>98004</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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 type="checkbox"/> Yes <input checked="" 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?		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? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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)	N/A	
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.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		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)?

☐ 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)?

N/A

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?

N/A

☐ 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

X

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?

N/A

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.

(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 STATEMENT 12		0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

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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	10,894,585.
b	Average of monthly cash balances	1b	349,997.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	11,244,582.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	11,244,582.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	168,669.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,075,913.
6	Minimum investment return. Enter 5% of line 5	6	553,796.

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	553,796.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	8,480.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	8,480.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	545,316.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	545,316.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	545,316.

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	545,746.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
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	545,746.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	545,746.

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

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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				545,316.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			144,193.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 545,746.				
a Applied to 2011, but not more than line 2a			144,193.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				401,553.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount - see instr.			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				143,763.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
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) **N/A**

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

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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

SEE STATEMENT 13

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				
BAINBRIDGE GRADUATE INSTITUTION	NONE	EDUCATION	ON RAMP	20,000.
CENTRAL WASHINGTON UNIVERSITY	NONE	EDUCATION	CENTER FOR ENTREPRENEURSHIP	15,000.
EASTERN WASHINGTON UNIVERSITY	NONE	EDUCATION	GREEN BUSINESS PRACTICES	20,000.
ENTERPRISE FOR EQUITY	NONE	EDUCATION	MOMENTUM AWARDS	5,000.
ENTERPRISE FOR EQUITY	NONE	EDUCATION	RURAL ENTERPRISE	20,000.
Total	SEE CONTINUATION SHEET(S)			485,510.
b Approved for future payment				
NONE				
Total				0.

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	KEY BANK #9340 - SEE ATTACHED	P	VARIOUS	VARIOUS
b	WELLS FARGO	P		09/04/12
c	HERSEY CO	P		04/01/13
d	ORACLE CORP	P		04/15/13
e	FEDERAL HOME LN	P		08/14/13
f	ESCROW LEHMAN BROS HOLDING	P		10/01/12
g	ESCROW LEHMAN BROS HOLDING	P		04/04/13
h				
i				
j				
k				
l				
m				
n				
o				

(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 1,708,371.		1,545,660.	162,711.
b 100,000.		99,437.	563.
c 250,000.		251,020.	-1,020.
d 100,000.		101,408.	-1,408.
e 100,000.		101,248.	-1,248.
f		7,651.	-7,651.
g		9,976.	-9,976.
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			162,711.
b			563.
c			-1,020.
d			-1,408.
e			-1,248.
f			-7,651.
g			-9,976.
h			
i			
j			
k			
l			
m			
n			
o			

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	141,971.
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) If (loss), enter "-0-" in Part I, line 8 }	3	N/A

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
EVERETT COMMUNITY COLLEGE	NONE	EDUCATION	SMALL BUSINESS ACCELERATOR	25,000.
NW ENTREPRENEUR NETWORK	NONE	EDUCATION	ENTREPRENEURIAL UNIVERSITY	20,000.
NW SCHOOL FOR HEARING-IMPAIRED CHILDREN	NONE	EDUCATION	ANNUAL CONTRIBUTION	30,746.
SEATTLE PACIFIC UNIVERSITY	NONE	EDUCATION	SOCIAL VENTURE COMPETITION	28,764.
SEATTLE UNIVERSITY	NONE	EDUCATION	BUSINESS PLAN AWARDS	10,000.
SEATTLE UNIVERSITY	NONE	EDUCATION	NEXT GENERATION ROUNDTABLE	15,000.
THE SOPHIA WAY	NONE	EDUCATION	OPENING THRIFT SHOP	5,000.
UNIVERSITY OF PUGET SOUND	NONE	EDUCATION	TACOMA ENTREPRENEURSHIP	20,000.
UNIVERSITY OF WASHINGTON	NONE	EDUCATION	BUSINESS PLAN COMPETITION	26,000.
UNIVERSITY OF WASHINGTON	NONE	EDUCATION	MILESTONE AWARDS	80,000.
Total from continuation sheets				405,510.

THE HERBERT JONES FOUNDATION
C/O KEYBANK PRIVATE BANK, TRUST OFFICER 94-3124801

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
UNIVERSITY OF WASHINGTON BOTHELL	NONE	EDUCATION	BUSINESS DEVELOPMENT CENTER	25,000.
UNIVERSITY OF WASHINGTON BOTHELL	NONE	EDUCATION	BUSINESS PLAN AWARDS	5,000.
UNIVERSITY OF WASHINGTON BOTHELL	NONE	EDUCATION	ENTREPRENEURIAL FELLOWSHIP	15,000.
UNIVERSITY OF WASHINGTON LAW SCHOOL	NONE	EDUCATION	ENTREPRENEURIAL LAW CLINIC	30,000.
WASHINGTON BIOTECHNOLOGY	NONE	EDUCATION	STARTUP INTERNS	20,000.
WASHINGTON STATE UNIVERSITY	NONE		BUSINESS PLAN AWARDS	25,000.
WENATCHEE VALLEY COLLEGE	NONE		CENTER FOR ENTREPRENEURSHIP	25,000.
Total from continuation sheets				

THE HERBERT JONES FOUNDATION

2012 Form 990-PF, Capital Gains and Losses
KEY BANK #9340 Attachment

EIN 94-3124801

Realized Gain/Loss from Sales

<i>Description</i>	<i>Settle date</i>	<i>Trade date</i>	<i>Units sold</i>	<i>Tax cost</i>	<i>Proceeds</i>	<i>Short-term gain/loss</i>	<i>Long-term gain/loss</i>
COSTCO WHOLESALE CORP	9/11	9/6	-310 00	-\$11,215 80	\$30,921 80	\$0 00	\$19,706 00
MCCORMICK & CO INC	9/11	9/6	-510 00	-22,674 60	32,185 42	0 00	9,510 82
BANK OF NOVA SCOTIA	12/19	12/14	-2,550 00	-123,717 96	146,800 71	0 00	23,082 75
DIRECTV	12/19	12/14	-1,740 00	-63,249 00	86,702.25	0 00	23,453 25
MONDELEZ INTERNATIONAL INC	12/19	12/14	-2,940 00	-67,327 38	76,467 97	336 72	8,803 87
NEXTERA ENERGY INC	12/19	12/14	-1,095 00	-59,553 28	76,089 84	0 00	16,536.56
PUBLIC SERVICE ENTERPRISE GROUP	12/19	12/14	-2,500 00	-80,525 00	75,073 56	0 00	-5,451 44
TEVA PHARMACEUTICAL INDS LTD	12/19	12/14	-1,825.00	-80,248 90	69,421 44	0 00	-10,827 46

THE HERBERT JONES FOUNDATION

2012 Form 990-PF, Capital Gains and Losses
KEY BANK #9340 Attachment

EIN 94-3124801

Realized Gain/Loss from Sales

Description	Settle date	Trade date	Units sold	Tax cost	Proceeds	Short-term gain/loss	Long-term gain/loss
CELGENE CORP	2/5	1/31	-780 00	-44,950 63	76,547 48	0 00	31,596 85
DIGITAL REALTY TRUST INC	2/5	1/31	-1,020 00	-58,497 00	69,582 84	0 00	11,085 84
FAMILY DLR STORES INC	2/5	1/31	-250 00	-16,374 95	14,239 68	-2,135 27	0 00
H J HEINZ CO	2/5	1/31	-1,295 00	-68,713 87	78,514 09	0 00	9,800 22
TEVA PHARMACEUTICAL INDS LTD	2/5	1/31	-1,175 00	-51,667 10	43,603 27	0 00	-8,063 83
ISHARES BARCLAYS TIPS BOND FUND	2/7	2/6	-900 00	-92,614 70	108,609 56	0 00	15,994 86
ISHARES IBOXX \$INVESTMENT BD FD	2/20	2/14	-250 00	-29,042 50	29,761 83	0 00	719 33
ISHARES BARCLAYS TIPS BOND FUND	6/5	5/31	-3,000 00	-305,287 17	349,494 81	0 00	44,207 64
ISHARES MSCI CANADA INDEX FD	7/22	7/17	-6,000 00	-185,932 50	164,637 13	0 00	-21,295 37
ISHARES MSCI PAC EX-JPN INDEX FD	7/22	7/17	-4,000 00	-184,067 80	179,716 87	0 00	-4,350 93
Total Realized Gain/Loss from Sales				-\$1,545,660 14	\$1,708,370 55	-\$1,798 55	\$164,508 96

This is for informational purposes only and is not tax advice. Please see your tax advisor for tax advice.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
KEY BANK - TAXABLE INTEREST	62,071.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	62,071.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
KEY BANK - DIVIDENDS	224,760.	0.	224,760.
TOTAL TO FM 990-PF, PART I, LN 4	224,760.	0.	224,760.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
CLASS ACTION LITIGATION SETTLEMENT PROCEEDS	431.	431.	
TOTAL TO FORM 990-PF, PART I, LINE 11	431.	431.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEE	2,130.	1,065.		1,065.
TO FORM 990-PF, PG 1, LN 16B	2,130.	1,065.		1,065.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KEY BANK FEES	60,285.	3,014.		57,271.
TO FORM 990-PF, PG 1, LN 16C	60,285.	3,014.		57,271.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES PAID	7,567.	0.		0.
TO FORM 990-PF, PG 1, LN 18	7,567.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MEMBERSHIP - ASSOCIATION OF SMALL FOUNDATIONS	725.	0.		725.
WASHINGTON STATE FILING FEES	25.	12.		13.
MISCELLANEOUS EXPENSES	1,124.	562.		562.
FIDELITY BOND INSURANCE PREMIUM	1,200.	600.		600.
TO FORM 990-PF, PG 1, LN 23	3,074.	1,174.		1,900.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	8
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. AGENCY BOND	X		201,246.	204,708.
US TREASURY BONDS/NOTES	X		260,088.	263,458.
TOTAL U.S. GOVERNMENT OBLIGATIONS			461,334.	468,166.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			461,334.	468,166.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK	3,447,753.	5,265,078.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,447,753.	5,265,078.

FORM 990-PF	CORPORATE BONDS	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	252,998.	268,988.
TOTAL TO FORM 990-PF, PART II, LINE 10C	252,998.	268,988.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME INVESTMENTS	COST	2,092,393.	2,078,934.
EQUITY INVESTMENTS	COST	1,757,295.	2,246,971.
FOREIGN BONDS	COST	250,138.	253,985.
MISCELLANEOUS ASSETS	COST	12,544.	52,800.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,112,370.	4,632,690.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MICHAEL BAUER C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
JANET WOODS C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
BILL ERWERT C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TERRY SMITH C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TOM CRHA C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TAMMY MILLER C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 13

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

HERBERT B. JONES FOUNDATION C/O KEYBANK NATIONAL ASSOCIATION,
601 - 108TH AVENUE NE, SUITE 260
BELLEVUE, WA 98004

FORM AND CONTENT OF APPLICATIONS

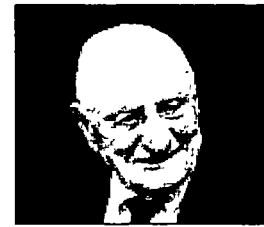
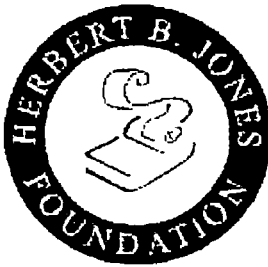
SEE GRANT APPLICATION FORM ATTACHED.

ANY SUBMISSION DEADLINES

APRIL 1

RESTRICTIONS AND LIMITATIONS ON AWARDS

THE FOUNDATION PROMOTES ENTREPRENEURISM AND SMALL BUSINESS THROUGH THE
INITIAL AND TEMPORARY SUPPORT OF NEW BUSINESS PROGRAMS MANAGED BY POST-
SECONDARY EDUCATIONAL ENTITIES IN THE STATE OF WASHINGTON. SEE MISSION
STATEMENT ON GRANT APPLICATION.

[Home](#)[Biography](#)[Grant Guidelines](#)[Grant History](#)[Contact Us](#)

HERBERT JONES FOUNDATION GRANT APPLICATION

MISSION STATEMENT

The Herbert B. Jones Foundation believes that entrepreneurship and small business are the backbone for the strength of our economic system.

We promote this belief through the initial and temporary support of new business programs managed by post-secondary educational entities in the state of Washington.

We desire the business community to be a vibrant and productive environment and the recipients of the

Foundation's support to positively impact our greater business community.

GUIDELINES

- Grant requests will be for fiscal years, starting September 1
- Grant requests are due by the first Monday in April.
- Maximum 2 requests for consideration: a. A request can contain two or more inter-related, dependent segments, b. Each segment must show its need for other segments' accomplishment
- The minimum font size: 11
- Grants funds will not be provided for equipment, capital

- Applicants must adhere strictly to format
- Please provide (6) stapled copies to: Herbert B. Jones Foundation c/o Key Private Bank, 601 108th Ave NE Suite 260, Bellevue, WA, 98004
- The Foundation may make inquiries before, and will formally respond within 8 weeks

APPLICATION FORMAT (
Maximum 2 pages)

Name of Organization/Amount
Requested/Time Period Requested
Description/summary of program

- Goals/objectives of program; i.e. how do these relate to HBJ mission statement?
- Results expected; i.e. how do the results satisfy HBJ goals?
- Target population; i.e. who benefits?
- Key staff and number of students to be involved
- Plan for measuring program results; i.e. how do you know you have succeeded?

PROGRAM BUDGET (
MAXIMUM 1 PAGE)

- Detailed itemization of costs for each program and HBJ's funding portion
- Other funding resources; participant payments, grants, gifts, other
- Timetable of anticipated organizational expenditures

APPENDIX (NOT REQUIRED
IF PREVIOUSLY PROVIDED)

- Resume summary page (no more than ½ a page for each)
- History and mission of the organization
- Board and affiliations
- Overall Structure; description of sub-unit utilizing grant
- Evidence that your organization is a qualified tax-exempt organization capable of receiving grants from a private foundation

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