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For calendar year 2013 or tax year beginning

, 2013, and ending

, 20

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 or province, country, and ZIP or foreign postal code WILMINGTON, DE 19809-1377		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		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 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) ► \$ 22,423,891.		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) (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	101.	101.		
	4 Dividends and interest from securities	47,658.	47,658.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,317,146.			
	b Gross sales price for all assets on line 6a	21,400,851.			
	7 Capital gain net income (from Part IV, line 2)		2,317,146.		
	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)	474,065.	474,065.			
11 Other income (attach schedule) ATCH. 1	2,838,970.	2,838,970.			
12 Total Add lines 1 through 11	16,214.			16,214.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	19,050.			19,050.
	b Accounting fees (attach schedule) ATCH. 2	85,144.	53,385.		31,759.
	c Other professional fees (attach schedule) *				
	17 Interest	41,317.	541.		
	18 Taxes (attach schedule) (see instructions) ATCH. 4	149.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy	106,729.			106,729.
	21 Travel, conferences, and meetings	446.			446.
	22 Printing and publications	575,436.	65,700.		509,736.
	23 Other expenses (attach schedule) ATCH. 5				
	24 Total operating and administrative expenses	844,485.	119,626.		683,934.
Add lines 13 through 23	363,464.			363,464.	
25 Contributions, gifts, grants paid	1,207,949.	119,626.	0	1,047,398.	
26 Total expenses and disbursements Add lines 24 and 25	1,631,021.				
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		2,719,344.			
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
	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments	210,732.	1,131,151.	73,150.	73,150.
	3 Accounts receivable ►		1,581.	210,732.	210,732.
	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 ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10 a Investments - U S and state government obligations (attach schedule)		2,860,279.		
	b Investments - corporate stock (attach schedule)		11,251,295.		
	c Investments - corporate bonds (attach schedule)		222,515.		
	11 Investments - land, buildings, and equipment basis				
	Less accumulated depreciation ►				
	12 Investments - mortgage loans				
	13 Investments - other (attach schedule)	ATCH 6	2,728,099.	19,551,158.	22,139,798.
	14 Land, buildings, and equipment basis	41,171.			ATCH 7
	Less accumulated depreciation ►	40,960.	360.	211.	211.
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)		18,195,280.	19,835,251.	22,423,891.
	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	0	
	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.				
	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		18,195,280.	19,835,251.	
	30 Total net assets or fund balances (see instructions)		18,195,280.	19,835,251.	
	31 Total liabilities and net assets/fund balances (see instructions)		18,195,280.	19,835,251.	

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	18,195,280.
2 Enter amount from Part I, line 27a	2	1,631,021.
3 Other increases not included in line 2 (itemize) ► ATCH 8	3	8,950.
4 Add lines 1, 2, and 3	4	19,835,251.
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	19,835,251.

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 SEE PART IV SCHEDULE					
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					
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) 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					
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	2,317,146.	
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	0	

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))
2012	766,999.	19,390,903.	0.039555
2011	900,090.	19,705,853.	0.045676
2010	759,825.	18,901,839.	0.040198
2009	929,277.	16,621,665.	0.055908
2008	972,033.	19,942,722.	0.048741
2 Total of line 1, column (d)			2 0.230078
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 0.046016
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5			4 21,520,286.
5 Multiply line 4 by line 3			5 990,277.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 27,193.
7 Add lines 5 and 6			7 1,017,470.
8 Enter qualifying distributions from Part XII, line 4			8 1,047,398.

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 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 . . .	1	27,193.
b	Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		
c	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" 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	27,193.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .	4	0
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- . . .	5	27,193.
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013. . .	6a	38,826.
b	Exempt foreign organizations - tax withheld at source . . .	6b	
c	Tax paid with application for extension of time to file (Form 8868) . . .	6c	
d	Backup withholding erroneously withheld . . .	6d	
7	Total credits and payments Add lines 6a through 6d . . .	7	38,826.
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	11,633.
11	Enter the amount of line 10 to be Credited to 2014 estimated tax ►	11	11,633. Refunded ► 11

Part VII-A Statements 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? . . .

1b 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

1c Did the foundation file Form 1120-POL for this year? . . .

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? . . .

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 . . .

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . .

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

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? . . .

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

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

MA, _____

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. . .

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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV. . .

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses. . .

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

Part VII-A Statements Regarding Activities (continued)

11		X
12		X
13	X	
Website address ► <u>WWW.GRASSFOUNDATION.ORG</u>		
14	Telephone no ► <u>800-839-1754</u>	
Located at ► <u>501 SILVERSIDE ROAD, SUITE 123 WILMINGTON, DE</u> ZIP+4 ► <u>19809-1377</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ► <u>15</u>	
16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-221. 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
1b	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)?		X
Organizations relying on a current notice regarding disaster assistance check here ► <u>1b</u>			
1c	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 2013?		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))		
2a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ►			
2b	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)		
3a	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3b	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
4a	If "Yes," did it have excess business holdings in 2013 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 2013)		
4b	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
4b	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 2013?		X

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			5b
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			6b
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
ATCH 9		16,214.	0	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
NONE				

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
ATCH 10		124,627.

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 TO ENCOURAGE INDEPENDENT RESEARCH AT THE MARINE BIOLOGY LAB BY INVESTIGATORS EARLY IN THEIR CAREER AND INCREASE RESEARCH IN NEUROBIOLOGY. AWARDED FELLOWSHIPS VARY ANNUALLY.	517,002.
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	
3	
All other program-related investments See instructions	
3 NONE	
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	247.
b	Average of monthly cash balances	1b	389,780.
c	Fair market value of all other assets (see instructions)	1c	21,457,979.
d	Total (add lines 1a, b, and c)	1d	21,848,006.
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	21,848,006.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	327,720.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	21,520,286.
6	Minimum investment return. Enter 5% of line 5	6	1,076,014.

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	1,076,014.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	27,193.
b	Income tax for 2013 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	27,193.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,048,821.
4	Recoveries of amounts treated as qualifying distributions	4	8,950.
5	Add lines 3 and 4	5	1,057,771.
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	1,057,771.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes	1a	1,047,398.
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1b	
b	Program-related investments - total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	1,047,398.
b	Cash distribution test (attach the required schedule)	5	27,193.
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	1,020,205.
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)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				1,057,771.
2 Undistributed income, if any, as of the end of 2013			175,583.	
a Enter amount for 2012 only				
b Total for prior years 20 11 ,20 10 ,20 09				
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e				
4 Qualifying distributions for 2013 from Part XII, line 4 ► \$ 1,047,398.			175,583.	
a Applied to 2012, 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 2013 distributable amount				871,815.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))				
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 2012 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				185,956.
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 2008 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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

NOT APPLICABLE

a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling				►		4942(j)(3) or	4942(j)(5)
b Check box to indicate whether the foundation is a private operating foundation described in section							
2 a	Tax year		Prior 3 years			(e) Total	
	(a) 2013	(b) 2012	(c) 2011	(d) 2010			
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 address 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				
ATCH 11				
Total			► 3a	363,464.
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

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	101.	
4 Dividends and interest from securities			14	47,658.	
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	2,317,146.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b ATCH 12				474,065.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				2,838,970.	
13 Total Add line 12, columns (b), (d), and (e)				13	2,838,970.
(See worksheet in line 13 instructions to verify calculations)					

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

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		
(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		

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

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

Sign
Here

► Richard F. Ladd
Signature of officer or trustee

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1

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

Paid Preparer Use Only	Print/Type preparer's name JEFFREY D. HASKELL	Preparer's signature JEFFREY D. HASKELL	Date 07/10/2014	Check <input type="checkbox"/> if self-employed	PTIN P01345770
	Firm's name ► FOUNDATION SOURCE			Firm's EIN ► 510398347	
	Firm's address ► ONE HOLLOW LN, STE 212 LAKE SUCCESS, NY	11042		Phone no	8008391754

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
K-1 INCOME CFI MULTI-STRATEGY BOND FUND	254,123.	254,123.
K-1 INCOME CFI MULTI-STRATEGY EQUITY FD	214,228.	214,228.
K-1 INCOME ORION FUTURES FUND LP	5,714.	5,714.
TOTALS	<u>474,065.</u>	<u>474,065.</u>

ATTACHMENT 1

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
AUDIT OF 2012 FINANCIALS	19,050.			19,050.
TOTALS	<u><u>19,050.</u></u>			<u><u>19,050.</u></u>

ATTACHMENT 2

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
INVESTMENT MANAGEMENT SERVICES	53,385.	53,385.	
CONSULTANT STIPEND	1,500.		1,500.
GRASS FELLOW PROGRAM STIPENDS	30,259.		30,259.
TOTALS	<u>85,144.</u>	<u>53,385.</u>	<u>31,759.</u>

ATTACHMENT 3

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
990-PF ESTIMATED TAX FOR 2013	38,600.	
990-PF EXTENSION FOR 2012	1,037.	
FOREIGN TAX PAID	541.	541.
IRS MISCELLANEOUS FEE	1,139.	
TOTALS	<u><u>41,317.</u></u>	<u><u>541.</u></u>

ATTACHMENT 4

Description of Property

Description of Property

Assets Retired S.A.

FORM 990PF, PART I - OTHER EXPENSES

ATTACHMENT 5

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
ADMINISTRATIVE FEES	70,314.	90.	70,314.
BANK CHARGES	90.		
INFORMATION TECHNOLOGY EXPENSE	574.		574.
FOUNDATION DUES & MEMBERSHIPS	725.		725.
INDEMNIFICATION INSURANCE	1,786.		1,786.
K-1 EXP CFI MULTI-STRATEGY BON	7,193.		
K-1 EXP CFI MULTI-STRATEGY EQU	54,503.		
K-1 EXP ORION FUTURES FUND LP	3,914.		
MEDALS AND CERTIFICATES	112.		
OFFICE SUPPLIES	239.		239.
POSTAGE	7,414.		7,414.
STATE OR LOCAL FILING FEES	125.		125.
STORAGE	1,087.		1,087.
UTILITIES	96.		96.
GRASS FELLOW SUPPLIES	86,591.		86,591.
GRASS FELLOW HOUSING	125,629.		125,629.
GRASS FELLOW LAB FEES	156,308.		156,308.
GRASS FELLOW MEALS/OTHER	56,601.		56,601.
GRASS FELLOW ADVERTISING	2,135.		2,135.
TOTALS	<u>575,436.</u>	<u>65,700.</u>	<u>509,736.</u>

FORM 990PF, PART II - OTHER INVESTMENTSDESCRIPTIONCFI MULTI-STRATEGY BOND FUND,
CFI MULTI-STRATEGY EQUITY FUND

TOTALS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING EMV</u>
CFI MULTI-STRATEGY BOND FUND, CFI MULTI-STRATEGY EQUITY FUND	6,396,690. 13,154,468.	6,159,526. 15,980,272.
	<u>19,551,158.</u>	<u>22,139,798.</u>
TOTALS		

ATTACHMENT 6

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENTATTACHMENT 7

ACCUMULATED DEPRECIATION DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL			ACCUMULATED DEPRECIATION DETAIL				
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
OFFICE EQUIPMENT	SL	14,705			14,705				14,705
FURNITURE & EQUIP	SL	24,973			24,973				24,973
OFFICE EQUIPMENT	SL	1,493			1,493				1,282
TOTALS									<u><u>40,960</u></u>
									<u><u>40,811</u></u>
									<u><u>41,171</u></u>

ATTACHMENT 8FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
MBL REFUND	8,950.
TOTAL	<u>8,950.</u>

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis			
17028119.			PUBLICLY-TRADED SECURITIES 14874108.				2,154,011.	
1,072,902.			PASSTHROUGH K1 CAPITAL GAIN INSTITUTIONAL CORE EQUITY FUND LLC 1,050,000.			P	22,207.	
453,181.			INSTITUTIONAL HIGH QUALITY BOND FUND LLC 450,000.			P	07/10/2013 3,181.	
739,332.			ORION FUTURES FUND LP 731,804.			P	10/28/2011 7,528.	
2,107,317.			LIGHTHOUSE DIVERSIFIED FD LTD 2,000,000.			P	03/30/2011 107,317.	
TOTAL GAIN(LOSS)							<u>2,317,146.</u>	

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 9

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>
CATHERINE E CARR PHD FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
GRAEME W DAVIS FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
BERNICE GRAFSTEIN FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	VP / TRUSTEE 1.00	
HENRY J GRASS FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
GREGORY L HOLMES FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 9 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	
	<u>COMPENSATION</u>	
RONALD R HOY FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE	1.00
KAMRAN KHODAKHAI FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE	1.00
GEORGE M LANGFORD FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE	1.00
RICHARD F LARKIN FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TREAS / TRUSTEE	1.00
JEFF W LICHTMAN FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE	1.00

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 9 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>
EDWIN W MCCLESKEY FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
FELIX E SCHWEIZER FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	PRES / TRUSTEE 2.00	16,214.
AMY R SEGAL FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
JANIS C WEEKS FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
STEVEN J ZOTTOILI FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	TRUSTEE 1.00	
	GRAND TOTALS	<u>16,214.</u>

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 10

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
FOUNDATION SOURCE 55 WALLS DRIVE, SUITE 302 FAIRFIELD, CT 06824	ADMINISTRATIVE	70,314.
COMMONFUND SECURITIES INC. 15 OLD DANBURY ROAD WILTON, CT 06897-0812	INVESTMENT MGMT	54,313.
	TOTAL COMPENSATION	<u>124,627.</u>

FORM 900PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

AMOUNT

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FACULTY FOR UNDERGRADUATE NEUROSCIENCE UNIVERSITY OF WISCONSIN-EAU CLAIRE EAU CLAIRE, WI 54702	N/A PC	FUN ENDOWMENT FOR ALBERT & ELLEN GRASS TRAVEL AWARDS	10,000
HENRY M JACKSON FOUNDATION FOR THE ADVANCEMENT OF 6720A ROCKLEDGE DR STE 100 BETHESDA, MD 20817	N/A PC	TEACHING TOOLS WORKSHOP IN AFRICA	10,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE, MA 02543	N/A PC	ALBERT AND ELLEN GRASS MBL FACULTY GRANT	55,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE, MA 02543	N/A PC	NEURAL SYSTEMS & BEHAVIOR (NS&B) COURSE	50,000
MARINE BIOLOGICAL LABORATORY 7 MBL ST WOODS HOLE, MA 02543	N/A PC	NEUROBIOLOGY COURSE	50,000
REGENTS UNIVERSITY OF CALIFORNIA LOS ANGELES 10920 WILSHIRE BLVD STE 620 LOS ANGELES, CA 90024	N/A PC	ADMINISTRATIVE COSTS OF GRASS FOUNDATION AT UCLA	57,898

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11 (CONT'D.)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

<u>RECIPIENT NAME AND ADDRESS</u>	<u>FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
SOCIETY FOR NEUROSCIENCE 1121 14TH ST, STE 1010 WASHINGTON, DC 20005	N/A PC	ALBERT AND ELLEN GRASS LECTURE PROGRAM	20,000
SOCIETY FOR NEUROSCIENCE 1121 14TH ST, STE 1010 WASHINGTON, DC 20005	N/A PC	LATIN AMERICAN TRAINING PROGRAM AND TRAVEL FELLOWSHIPS FOR 15 LAT INTENSIVE PARTICIPANTS	110,566
		TOTAL CONTRIBUTIONS PAID	<u>363,464</u>

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 12

<u>DESCRIPTION</u>	<u>BUSINESS CODE</u>	<u>AMOUNT</u>	<u>EXCLUSION CODE</u>	<u>AMOUNT</u>	<u>RELATED OR EXEMPT FUNCTION INCOME</u>
K-1 PASS-THROUGH INCOME		14		474,065.	
TOTALS				<u>474,065.</u>	