

Form 990-PF

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No. 1545-0052

1708

2016

Open to Public Inspection

► Do not enter social security numbers on this form as it may be made public
► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2016 or tax year beginning

SEP 1, 2016

, and ending

AUG 31, 2017

Name of foundation

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

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

1301 FIFTH AVE, SUITE 2400

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
SEATTLE, WA 98101

G Check all that apply

Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name change

H Check type of organization

 Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year
(from Part II, col. (c), line 16)

J Accounting method

 Cash Accrual Other (specify) _____

► \$ 13,612,187. (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(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	94,805.	94,805.		STATEMENT 1
4	Dividends and interest from securities	184,136.	184,136.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	513,663.			
b	Gross sales price for all assets on line 6a	1,978,529.			
7	Capital gain net income (from Part IV, line 2)		513,663.		
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	15,328.	15,328.		STATEMENT 3
12	Total. Add lines 1 through 11	807,932.	807,932.		
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	2,510.	1,255.	1,255.
c	Other professional fees	STMT 5	68,826.	54,826.	10,000.
17	Interest				
18	Taxes				
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	STMT 6	4,156.	1,168.	2,988.
24	Total operating and administrative expenses. Add lines 13 through 23		75,492.	57,249.	14,243.
25	Contributions, gifts, grants paid		597,400.		597,400.
26	Total expenses and disbursements. Add lines 24 and 25		672,892.	57,249.	611,643.
27	Subtract line 26 from line 12		135,040.		
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		750,683.		
c	Adjusted net income (if negative, enter -0-)			N/A	

623501 11-23-16 LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2016)

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

Form 990-PF (2016)

94-3124801

Page 2

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		219,422.	592,086.	592,086.
	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				
	b Investments - corporate stock	STMT 7	3,944,172.	3,683,502.	6,687,190.
	c Investments - corporate bonds	STMT 8	1,254,384.	1,152,847.	1,162,686.
	11 Investments - land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
	12 Investments - mortgage loans				
	13 Investments - other	STMT 9	3,839,538.	3,964,121.	5,170,225.
	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)		9,257,516.	9,392,556.	13,612,187.
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"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds		9,257,516.	9,392,556.	
	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		9,257,516.	9,392,556.	
	31 Total liabilities and net assets/fund balances		9,257,516.	9,392,556.	

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	9,257,516.
2 Enter amount from Part I, line 27a	2	135,040.
3 Other increases not included in line 2 (itemize) ►	3	0.
4 Add lines 1, 2, and 3	4	9,392,556.
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	9,392,556.

Form 990-PF (2016)

623511 11-23-16

THE HERBERT JONES FOUNDATION

Form 990-PF (2016)

C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801

Page 3

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 ATTACHMENT	P	VARIOUS	
b MONDELEZ INTL INC - RETURN OF CAPITAL	P	VARIOUS	05/17/17
c DELL TECHNOLOGIES INC - EMC MERGER	P	VARIOUS	09/07/16
d EMC CORP - MERGER CASH PROCEEDS	P	VARIOUS	09/07/16
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 1,885,827.		1,380,025.	505,802.
b		977.	-977.
c 15,742.		83,864.	-68,122.
d 76,960.			76,960.
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			505,802.
b			-977.
c			-68,122.
d			76,960.
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	513,663.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	N/A
If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8			

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))
2015	590,215.	12,347,028.	.047802
2014	360,880.	12,562,078.	.028728
2013	398,972.	12,050,799.	.033108
2012	545,746.	11,075,913.	.049273
2011	526,806.	10,510,665.	.050121

2 Total of line 1, column (d)

2 .209032

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 .041806

4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5

4 13,077,368.

5 Multiply line 4 by line 3

5 546,712.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 7,507.

7 Add lines 5 and 6

7 554,219.

8 Enter qualifying distributions from Part XII, line 4

8 611,643.

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

3
THE HERBERT JONES FOUNDATION
C/O KEYBANK PRIVATE BANK, TRUST OFFICER

Form 990-PF (2016)

94-3124801

Page 4

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	7,507.
b	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-)			
3	Add lines 1 and 2		2	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		3	7,507.
5	Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-		4	0.
6	Credits/Payments		5	7,507.
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a		8,816.
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		8,816.
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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	1,309.
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ►	11		0.

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?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? <i>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.</i>	X	
1c	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 ► \$ <u>0.</u> (2) On foundation managers ► \$ <u>0.</u>		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ <u>0.</u>		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	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? <i>If "Yes," attach a conformed copy of the changes</i>	X	
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?	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► <u>WA</u>		
8b	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? <i>If "No," attach explanation</i>	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	X	2
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	X	

Form 990-PF (2016)

THE HERBERT JONES FOUNDATION

Form 990-PF (2016)

C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801

Page 5

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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>WWW.HBJFOUNDATION.COM</u>	13	X
14 The books are in care of ► <u>KEYBANK NATIONAL ASSOCIATION</u> Located at ► <u>1301 FIFTH AVE SUITE 2400, SEATTLE, WA</u> Telephone no ► <u>(206) 285-1729</u> ZIP+4 ► <u>98101</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 2016, 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 FinCEN Form 114 If "Yes," enter the name of the foreign country ►	16	Yes X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	Yes	No
File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		
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	X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	X 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	X 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	X 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 2016?	1b	
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?	<input type="checkbox"/> Yes	X 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)	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 ►	2b	
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	X No
b If "Yes," did it have excess business holdings in 2016 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 2016.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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 2016?	4a	X
	4b	X

Form 990-PF (2016)

THE HERBERT JONES FOUNDATION

Form 990-PF (2016)

C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801

Page 6

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

 Yes No

(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 4945(d)(4)(A)? (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)?

N/A

►

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?

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

 Yes No

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

► **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 10		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

Form 990-PF (2016)

THE HERBERT JONES FOUNDATION

Form 990-PF (2016)

C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801

Page 7

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ►

0

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	N/A	
2		
3		
4		

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	N/A	
2		0.

All other program-related investments. See instructions

3		

Total. Add lines 1 through 3 ►

0.

Form 990-PF (2016)

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

Form 990-PF (2016)

94-3124801 Page 8

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 12,933,009.
b	Average of monthly cash balances	1b 343,507.
c	Fair market value of all other assets	1c
d	Total (add lines 1a, b, and c)	1d 13,276,516.
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 13,276,516.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 199,148.
5	Net value of noncharitable-use assets . Subtract line 4 from line 3 Enter here and on Part V, line 4	5 13,077,368.
6	Minimum investment return . Enter 5% of line 5	6 653,868.

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	1 653,868.
2a	Tax on investment income for 2016 from Part VI, line 5	2a 7,507.
b	Income tax for 2016 (This does not include the tax from Part VI)	2b
c	Add lines 2a and 2b	2c 7,507.
3	Distributable amount before adjustments Subtract line 2c from line 1	3 646,361.
4	Recoveries of amounts treated as qualifying distributions	4 0.
5	Add lines 3 and 4	5 646,361.
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	7 646,361.

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 611,643.
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	4 611,643.
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 7,507.
6	Adjusted qualifying distributions . Subtract line 5 from line 4	6 604,136.

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

Form 990-PF (2016)

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

Form 990-PF (2016)

94-3124801 Page 9

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				646,361.
2 Undistributed income, if any, as of the end of 2016			611,642.	
a Enter amount for 2015 only				
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2016				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e		0.		
4 Qualifying distributions for 2016 from Part XII, line 4 ► \$ 611,643.				
a Applied to 2015, but not more than line 2a			611,642.	
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 2016 distributable amount				1.
e Remaining amount distributed out of corpus		0.		0.
5 Excess distributions carryover applied to 2016 (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		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 2015 Subtract line 4a from line 2a Taxable amount - see instr				0.
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				646,360.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)		0.		
8 Excess distributions carryover from 2011 not applied on line 5 or line 7		0.		
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a		0.		
10 Analysis of line 9				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

623681 11-23-16

Form 990-PF (2016)

THE HERBERT JONES FOUNDATION

Form 990-PF (2016) C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801 Page 11

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				
CENTRAL WASHINGTON UNIVERSITY FOUNDATION	NONE	EDUCATION	CENTER FOR ENTREPRENEURSHIP	35,000.
CENTRAL WASHINGTON UNIVERSITY FOUNDATION	NONE	EDUCATION	ENTREPRENEURSHIP MAJOR/MINOR	40,000.
EASTERN WASHINGTON UNIVERSITY	NONE	EDUCATION	CENTER FOR ENTREPRENEURSHIP	27,300.
EDC TEAM JEFFERSON	NONE	EDUCATION	BUSINESS PLANNING COURSE	15,000.
EDMONDS COMMUNITY COLLEGE	NONE	EDUCATION	CROSS CURRICULUM	44,000.
Total	SEE CONTINUATION SHEET(S)			► 3a 597,400.
b Approved for future payment				
NONE				
Total				► 3b 0.

Form 990-PF (2016)

623611 11-23-16

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	
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	94,805.
4 Dividends and interest from securities				14	184,136.
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				14	15,328.
8 Gain or (loss) from sales of assets other than inventory				18	513,663.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)			0.		0.
13 Total. Add line 12, columns (b), (d), and (e)				13	807,932.
(See worksheet in line 13 instructions to verify calculations.)					

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

THE HERBERT JONES FOUNDATION

Form 990-PF (2016)

C/O KEYBANK PRIVATE BANK, TRUST OFFICER

94-3124801 Page 13

Page 13

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

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?	Yes	No
		1a(1)	X
a	Transfers from the reporting foundation to a noncharitable exempt organization of	1a(2)	X
	(1) Cash	1b(1)	X
	(2) Other assets	1b(2)	X
b	Other transactions	1b(3)	X
	(1) Sales of assets to a noncharitable exempt organization	1b(4)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(5)	X
	(3) Rental of facilities, equipment, or other assets	1b(6)	X
	(4) Reimbursement arrangements	1c	X
	(5) Loans or loan guarantees		
	(6) Performance of services or membership or fundraising solicitations		
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		
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
N/A		

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		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
 Michael R. Bauer		1-9-18	TRUSTEE	May the IRS discuss this return with the preparer shown below (see instr.)?
Signature of officer or trustee		Date	Title	

Paid Preparer Use Only	Print/Type preparer's name MARY ANNE PETESCH, CPA	Preparer's signature <i>Mary Anne Petesch</i>	Date 1/4/18	Check <input type="checkbox"/> if self-employed	PTIN P00044630
	Firm's name ► HAGEN, KURTH, PERMAN & CO., P.S.			Firm's EIN ► 91-1233794	
	Firm's address ► 1111 THIRD AVE., SUITE 800 SEATTLE, WA 98101-3216			Phone no 206 682-9200	

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
ENTERPRISE FOR EQUITY	NONE	EDUCATION	LOW INCOME SCHOLARSHIPS	19,000.
ENTERPRISE FOR EQUITY	NONE	EDUCATION	MOMENTUM AWARDS	5,000.
NW SCHOOL FOR HEARING IMPAIRED CHILDREN	NONE	EDUCATION	ANNUAL	31,000.
PACIFIC LUTHERAN UNIVERSITY	NONE	EDUCATION	BUSINESS PLAN AWARD	12,500.
SEATTLE PACIFIC UNIVERSITY	NONE	EDUCATION	INNOVATION HUB	13,100.
SEATTLE PACIFIC UNIVERSITY	NONE	EDUCATION	SOCIAL VENTURE COMPETITION	15,000.
SEATTLE UNIVERSITY	NONE	EDUCATION	BUSINESS PLAN AWARD	10,000.
SEATTLE UNIVERSITY	NONE	EDUCATION	PROGRESS AWARDS	20,000.
UNIVERSITY OF WASHINGTON	NONE	EDUCATION	ACCELERATOR AWARD	80,000.
UNIVERSITY OF WASHINGTON	NONE	EDUCATION	BUSINESS PLAN COMPETITION	52,000.
Total from continuation sheets				436,100.

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)

Total from continuation sheets

623631
04-01-16

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
KEY BANK - TAXABLE INTEREST	94,805.	94,805.	
TOTAL TO PART I, LINE 3	94,805.	94,805.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
KEY BANK - DIVIDENDS	184,136.	0.	184,136.	184,136.	
TO PART I, LINE 4	184,136.	0.	184,136.	184,136.	

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 - RUST CONSULTING	15,195.	15,195.	
CLASS ACTION LITIGATION SETTLEMENT PROCEEDS - BARRICK GOLD CORP	133.	133.	
TOTAL TO FORM 990-PF, PART I, LINE 11	15,328.	15,328.	

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	2,510.	1,255.		1,255.
TO FORM 990-PF, PG 1, LN 16B	2,510.	1,255.		1,255.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT

5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KEY BANK FEES	68,826.	54,826.		10,000.
TO FORM 990-PF, PG 1, LN 16C	68,826.	54,826.		10,000.

FORM 990-PF

OTHER EXPENSES

STATEMENT

6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MEMBERSHIP - EXPONENT				
PHILANTHROPY	750.	0.		750.
WASHINGTON STATE FILING FEES	25.	13.		12.
FIDELITY INSURANCE BOND				
PREMIUM	1,200.	600.		600.
ANNUAL BOARD MEETING	1,105.	553.		552.
MAIL & POSTAGE	5.	2.		3.
WEBSITE SERVICES	71.	0.		71.
WEBSITE DESIGN UPDATE	1,000.	0.		1,000.
TO FORM 990-PF, PG 1, LN 23	4,156.	1,168.		2,988.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK	3,683,502.	6,687,190.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,683,502.	6,687,190.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	1,053,352.	1,063,050.
FOREIGN CORPORATE BONDS	99,495.	99,636.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,152,847.	1,162,686.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME INVESTMENTS	COST	2,456,657.	2,551,360.
U.S. MUTUAL FUNDS	COST	574,851.	1,439,882.
FOREIGN MUTUAL FUNDS	COST	932,613.	1,167,233.
MISCELLANEOUS ASSETS	COST	0.	11,750.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,964,121.	5,170,225.

FORM 990-PF

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

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MICHAEL BAUER C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
BILL ERWERT C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
TERRY SMITH C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
TOM CRHA C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
TAMMY MILLER C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
CAREY ANN MCCARTHY C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	TRUSTEE 1.00	0.	0.	0.
KAYLEE JAECH C/O KEYBANK NATIONAL ASSOCIATION, 1301 FIFTH AVE, SUITE 2400 SEATTLE, WA 98101	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 11

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

HERBERT B. JONES FOUNDATION C/O KEYBANK NATIONAL ASSOCIATION,
1301 FIFTH AVE SUITE 2400
SEATTLE, WA 98101

TELEPHONE NUMBER

206-285-1729

FORM AND CONTENT OF APPLICATIONS

SEE COPY OF ONLINE GRANT APPLICATION ATTACHED.

ANY SUBMISSION DEADLINES

FIRST MONDAY IN APRIL.

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 WEBSITE.