

C&E
(Form 990-PF)Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning , 2018, and ending , 20

Name of foundation

IBM INTERNATIONAL FOUNDATION

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

Room/suite

c/o IBM TAX DEPT, NORTH CASTLE DRIVE

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

ARMONK, NY 10504

G Check all that apply

Initial return

Final return

Address change

Initial return of a former public charity

Amended return

Name change

H Check type of organization

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation 04

I Fair market value of all assets at

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

16) ▶ \$ 278,516,550 (Part I, column (d) must be on cash basis)

J Accounting method

☐ Cash ☒ Accrual☐ Other (specify)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1	Contributions, gifts, grants, etc., received (attach schedule)	15,475,000		
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.			
3	Interest on savings and temporary cash investments	417,608	417,608	
4	Dividends and interest from securities	7,457,654	7,367,368	
5a	Gross rents			
b	Net rental income or (loss)			
6a	Net gain or (loss) from sale of assets not on line 10	8,451,946		
b	Gross sales price for all assets on line 6a	42,041,167		
7	Capital gain net income (from Part IV, line 2)		15,503,016	
8	Net short-term capital gain			
9	Income modifications			
10a	Gross sales less returns and allowances			
b	Less: Cost of goods sold			
c	Gross profit or (loss) (attach schedule)			
11	Other income (attach schedule)		(75,861)	
12	Total. Add lines 1 through 11	31,802,208	23,212,131	
13	Compensation of officers, directors, trustees, etc.			
14	Other employee salaries and wages			
15	Pension plans, employee benefits			
16a	Legal fees (attach schedule)			
b	Accounting fees (attach schedule)			
c	Other professional fees (attach schedule)	3,463,769	268,351	3,194,989
17	Interest			
18	Taxes (attach schedule) (see instructions)	268,500	1,500	267,000
19	Depreciation (attach schedule) and depletion			
20	Occupancy			
21	Travel, conferences, and meetings			
22	Printing and publications			
23	Other expenses (attach schedule)	7,017	54,178	7,766
24	Total operating and administrative expenses. Add lines 13 through 23.	3,739,286	324,029	3,469,755
25	Contributions, gifts, grants paid	17,593,683		17,653,040
26	Total expenses and disbursements. Add lines 24 and 25.	21,332,969	324,029	21,122,795
27	Subtract line 26 from line 12			
a	Excess of revenue over expenses and disbursements	10,469,239		
b	Net investment income (if negative, enter -0-)		22,888,102	
c	Adjusted net income (if negative, enter -0-)			

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments	19,828,464	16,704,999	16,704,999	
	3	Accounts receivable ▶ 0				
		Less: allowance for doubtful accounts ▶	24,938		0	
	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)	2,350,000	0	0	
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations (attach schedule)	178,532,286	169,008,248	169,008,248	
		b Investments - corporate stock (attach schedule)	93,957,662	90,303,303	90,303,303	
		c Investments - corporate bonds (attach schedule)				
	Liabilities	11	Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
12		Investments - mortgage loans				
13		Investments - other (attach schedule)	2,500,000	2,500,000	2,500,000	
14		Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶				
15		Other assets (describe ▶)				
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	297,193,350	278,516,550	278,516,550	
17		Accounts payable and accrued expenses	170,552	110,874		
18		Grants payable				
19		Deferred revenue				
20		Loans from officers, directors, trustees, and other disqualified persons				
Net Assets or Fund Balances	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)	170,552	110,874		
		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"/> 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	297,022,798	278,405,676		
	29 Retained earnings, accumulated income, endowment, or other funds					
	30 Total net assets or fund balances (see instructions)	297,022,798	278,405,676			
	31 Total liabilities and net assets/fund balances (see instructions)	297,193,350	278,516,550			

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	297,022,798
2	Enter amount from Part I, line 27a	2	10,469,239
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	307,492,037
5	Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSS	5	29,086,363
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	278,405,674

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a 167,872 Units of MSCI ACWI exUSA NL CTF	P	VARIOUS	VARIOUS
b 34,060 Units of MSCI UNITED STATES INDX NL CTF	P	VARIOUS	VARIOUS
c 1,060,278 Units of US Aggregate Bond INDX NL CTF	P	VARIOUS	VARIOUS
d 350,958 Units of RUSSELL 3000 (R) INDX NL CTF	P	VARIOUS	VARIOUS
e SEE ATTACHED STATEMENT 3	P	VARIOUS	VARIOUS

(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 3,400,091		2,622,731	777,360
b 4,819,279		3,305,979	1,513,300
c 16,513,995		15,087,439	1,426,556
d 8,552,096		4,294,141	4,257,955
e 8,755,706		1,227,861	7,527,845

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

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			777,360
b			1,513,300
c			1,426,556
d			4,257,955
e			7,527,845

2 Capital gain net income or (net capital loss)	<div style="display: inline-block; vertical-align: middle;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	15,503,016
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	<div style="display: inline-block; vertical-align: middle;"> If gain, also enter in Part I, line 8, column (c) See instructions If (loss), enter -0- in Part I, line 8 </div>	3	(606,260)

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 doesn't 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))
2017	22,690,285	274,623,947	0.0826
2016	21,378,631	245,682,186	0.0870
2015	17,293,434	235,576,958	0.0734
2014	20,409,338	231,222,739	0.0883
2013	23,794,666	207,103,177	0.1149

2 Total of line 1, column (d)	2	0.4462
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	0.0892
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	292,810,344
5 Multiply line 4 by line 3.	5	26,118,683
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	228,881
7 Add lines 5 and 6.	7	26,347,564
8 Enter qualifying distributions from Part XII, line 4. If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	21,122,795

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)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1 457,762
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		3 457,762
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		4
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5 457,762
6 Credits/Payments		
a 2018 estimated tax payments and 2017 overpayment credited to 2018	6a 509,941	
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	7 509,941	
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 52,179	
11 Enter the amount of line 10 to be Credited to 2019 estimated tax <input type="checkbox"/> 52,179 Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
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		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?		X
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?	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"/> NEW YORK		
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 2018 or the tax year beginning in 2018? See the 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

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		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		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► IBM INTERNATIONAL FOUNDATION Telephone no ► 914-499-4690 Located at ► NEW ORCHARD ROAD, ARMONK, NY ZIP+4 ► 10504		
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		
16 At any time during calendar year 2018, 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?		X
See the instructions for exceptions and filing requirements for FinCEN Form 114 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions		X
Organizations relying on a current notice regarding disaster assistance, check here ► <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?		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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)		
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 2018 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 2018)		
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 2018?		X

Form 990-PF (2018)

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
INTERNATIONAL BUSINESS MACHINES NEW ORCHARD ROAD, ARMONK, NY 10504 JUDY CHIN	PROGRAM ADVISORS	2,542,966
C/O IBM, NEW ORCHARD ROAD, ARMONK, NY 10504 JAMIE MCDONALD	FINANCE & PROGRAM SUPPORT	145,800
C/O IBM, NEW ORCHARD ROAD, ARMONK, NY 10504 KAYELL SOFTWARE	PROGRAM SUPPORT	126,464
1314 GREENWOOD ST, EVANSTON, IL 60201 Good Wolf Group	PROGRAM SUPPORT	125,802
475 14th St, Brooklyn, NY 11215	Program and Management Advisory	97,450
Total number of others receiving over \$50,000 for professional services		1

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 (see instructions)

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	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	

Form **990-PF** (2018)

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	272,728,773
b	Average of monthly cash balances	1b	20,853,143
c	Fair market value of all other assets (see instructions).	1c	3,687,469
d	Total (add lines 1a, b, and c)	1d	297,269,385
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	297,269,385
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	4,459,041
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	292,810,344
6	Minimum investment return. Enter 5% of line 5	6	14,640,517

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	14,640,517
2a	Tax on investment income for 2018 from Part VI, line 5	2a	457,762
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	457,762
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	14,182,755
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4	5	14,182,755
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	14,182,755

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	21,122,795
b	Program-related investments - total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	21,122,795
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions.	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	21,122,795

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				14,182,755
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2018				
a From 2013	13,612,828			
b From 2014	9,216,119			
c From 2015	6,172,392			
d From 2016	9,393,278			
e From 2017	9,250,280			
f Total of lines 3a through e	47,644,897			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 21,122,795				
a Applied to 2017, 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 2018 distributable amount.				14,182,755
e Remaining amount distributed out of corpus. . .	6,940,040			
5 Excess distributions carryover applied to 2018 (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	54,584,937			
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 2017 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019.				
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)				
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions) . . .	13,612,828			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	40,972,109			
10 Analysis of line 9				
a Excess from 2014 . . .	9,216,119			
b Excess from 2015 . . .	6,172,392			
c Excess from 2016 . . .	9,393,278			
d Excess from 2017 . . .	9,250,280			
e Excess from 2018 . . .	6,940,040			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling **N/A**

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) 2018	(b) 2017	(c) 2016	(d) 2015	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

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

MS. JUDY CHIN, PROGRAM MNGR, IBM INTERNATIONAL FOUNDATION, NEW ORCHARD RD, ARMONK, NY 10504 (914)-499-4690

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

SEE ATTACHED STATEMENT

c Any submission deadlines

APPLICATION ACCEPTED ALL YEAR; REJECTIONS OR REQUESTS FOR INFORMATION SENT WITHIN 2 MONTHS

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

CONSIDERATION AND REVIEW WILL ONLY BE GIVEN TO APPROVED 501(c)(3)

Part XV **Supplementary Information** *(continued)***3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
a <i>Paid during the year</i> SEE ATTACHED STATEMENT				17,593,683
Total ► 3a				17,593,683
b <i>Approved for future payment</i> N/A				0
Total ► 3b				

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) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

b If "Yes," complete the following schedule

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

PRESIDENT
Title

May the IRS discuss this return with the preparer shown below?

See instructions ☐ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check <input type="checkbox"/> if self-employed	PTIN
---	------

Firm's name

Firm's EIN ▶

Firm's address ►

Phone no

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

2018▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization

Employer identification number

IBM INTERNATIONAL FOUNDATION

13-3267906

Organization type (check one)**Filers of:****Section:**

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000, or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

Employer identification number

IBM INTERNATIONAL FOUNDATION

13-3267906

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	INTERNATIONAL BUSINESS MACHINES CORPORATION NEW ORCHARD RD, ARMONK, NY 10504	\$ 15,475,000.00	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Name of organization

Employer identification number

IBM INTERNATIONAL FOUNDATION

13-3267906

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

IBM INTERNATIONAL FOUNDATION

13-3267906

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

STATEMENT 1

Part I, Line 1: Contributions Received

Cash	
International Business Machines Corporation	15,475,000
Total	<u>15,475,000</u>

Part I, Line 11: Other Income

	Col (a)	Col (b)	Col (c)
From K-1s (Form 1065)			
Sec 988 - Currency Gain (Loss)		(77,766)	-
Other Income		1,905	
Total	-	<u>(75,861)</u>	-

Part I, Line 16c: Other Professional Fees

	Col (a)	Col (b)	Col (d)
Management & Administration	2,542,966	-	2,542,966
2017 Accrued Expense			-
2018 Accrued Expense			
Consulting Fees	652,452	-	652,452
2017 Accrued Expense			38,208
2018 Accrued Expense			(36,220)
Investment Advisory Fees	268,351	268,351	-
2017 Accrued Expense			63,169
2018 Accrued Expense			(65,586)
Total	<u>3,463,769</u>	<u>268,351</u>	<u>3,194,989</u>

Part I, Line 18: Taxes

	Col (a)	Col (b)	Col (d)
Tax Expense	267,000		267,000
2017 Accrued Expense			
2018 Accrued Expense			-
State Filing Fee	1,500	1,500	
Total	<u>268,500</u>	<u>1,500</u>	<u>267,000</u>

STATEMENT 1 (continued)

Part I, Line 23: Other Expenses

	Col (a)	Col (b)	Col (d)
Other Miscellaneous	7,017		7,017
2017 Accrued Expense			749
2018 Accrued Expense			-
From K-1s (Form 1065)			
13K Deductions - Portfolio (2%)	-	54,178	-
	7,017	54,178	7,766

Part I, Line 25: Contributions, Gifts, Grants Paid

Qualifying Distributions

PROGRAMS

	Part I, Line 25, Col. (a)		Part I, Line 25, Col. (d) Total Qualifying Distributions
	2018 Grants	Accruals	
Matching Grants Program	7,391,246	(875)	7,390,371
General Support Grants	125,000		125,000
Corporate Service Corp	7,804,013	79,432	7,883,445
IBM Fellowship Grants	997,000		997,000
Smarter Cities Challenge	126,424	(19,200)	107,224
Public Policy Institute of NYS	75,000		75,000
American Red Cross	225,000		225,000
Watson Teacher Advisory	850,000		850,000
TOTAL	17,593,683	59,357	17,653,040

STATEMENT 2

Part II, Line 6: Receivables From Disqualified Persons

4th Quarter Pledge From Substantial Contributor
International Business Machines Corp

Jan 1, 2018	Dec 31, 2018
2,350,000	-

Part II, Line 10b: Investments - Corporate Stock

MSCI United States Indx NL CTF
MSCI ACWI ex USA SL QP CTF
Global Real Estate Sec Index CTF
Russell 3000 (R) Index NL CTF
Total

Jan 1, 2018	Dec 31, 2018
38,627,815	36,284,184
60,078,616	56,814,269
13,624,235	12,941,775
66,201,621	62,968,019
178,532,287	169,008,247

Part II, Line 10c: Investments - Corporate Bonds

US Aggregate Bond Index CTF

Jan 1, 2018	Dec 31, 2018
93,957,662	90,303,303

Part II, Line 13: Investments - Other

Essential Capital Consortium Fund

Jan 1, 2018	Dec 31, 2018
2,500,000	2,500,000

STATEMENT 3

Part IV, Line 1f Capital Gains and Losses for Tax on Investment Income

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
90,405 Units of Global Real Estate NL CTF	P	Various	Various	1,703,000		1,227,861	475,140				475,140
From Schedules K-1 (Form 1065)		Various	Various	7,051,071			7,051,071				7,051,071
Legg Mason - Money Market Fund		Various	Various	1,635			1,635				1,635
Total To Line e				8,755,706		1,227,861	7,527,845				7,527,845

STATEMENT 4

PART VII-B, LINE 5c

Grants made that require expenditure responsibility

1	Program:	Corporate Service Corp (CSC) / Smarter Cities Challenge (SCC)
	Grantee:	Australian Business Volunteers Ltd; Digital Opportunity Trust, Voluntary Service Overseas
	Date:	Various
	Purpose:	Supporting and helping communities around the world address their most critical challenges. Cash grants to support implementation of CSC / SCC in designated countries.
	Amount:	VSO 151,998.00 ABV 799,623.82 DOT 2,415,468.76
2	Program:	IBM Fellowship Grants c/o IBM International Foundation, Armonk, NY 10504
	Grantees:	509(a) Public Charities: Selected Universities and Colleges
	Purpose:	To provide funds for students pursuing PhD's in engineering/computer sciences.
	Amount:	\$ 97,000.00

STATEMENT 5, PAGE 1

PART VIII, LINE 1
Officers, Directors, Etc.

Name & Address	Title and Average Expense Hours/Wk. Devote to Position	Contributions to Employee Benefit Plan	Expense Account and Other Allowances	Compensation
Virginia Rometty IBM Corporation New Orchard Road Armonk, NY 10504	Director and Chairman Negligible	N/A	N/A	Individual received no compensation directly from Foundation
John Iwata IBM Corporation New Orchard Road Armonk, NY 10504	Director and Vice Chairman (1/1/2018-1/31/2018) Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Martin Schroeter IBM Corporation New Orchard Road Armonk, NY 10504	Director Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Stanley S. Litow IBM Corporation New Orchard Road Armonk, NY 10504	Director (1/2018-3/28/2018) Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Jennifer Crozier IBM Corporation New Orchard Road Armonk, NY 10504	Director & President approx. 20 hours per week	N/A	N/A	Individual received no compensation directly from Foundation
Guillermo Miranda IBM Corporation New Orchard Road Armonk, NY 10504 (As of 7/1/2019)	Director, Vice Chairman & President approx. 20 hours per week	N/A	N/A	Individual received no compensation directly from Foundation

STATEMENT 5, PAGE 2

PART VIII, LINE 1
Officers, Directors, Etc.

Name & Address	Title and Average Expense Hours/Wk. Devote to Position	Contributions to Employee Benefit Plan	Expense Account and Other Allowances	Compensation
Simon J. Beaumont IBM Corporation New Orchard Road Armonk, NY 10504	Treasurer Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Christopher Guilotta IBM Corporation New Orchard Road Armonk, NY 10504	Controller Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Christina Montgomery IBM Corporation New Orchard Road Armonk, NY 10504	Secretary Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Jason Sugg IBM Corporation New Orchard Road Armonk, NY 10504	Assistant Controller/ Negligible	N/A	N/A	Individual received no compensation directly from Foundation
Mark Hobbart IBM Corporation New Orchard Road Armonk, NY 10504	Assistant Treasurer/ Negligible	N/A	N/A	Individual received no compensation directly from Foundation

NOTE: The IBM International Foundation reimburses IBM for salary and travel expense incurred by employees, including certain officers, for services provided to the Foundation.

STATEMENT 6

Part XV, Line 2b: Form in which applications must be submitted

A formal grant request and application must be submitted. The request and application require the following, at a minimum:

- a Purpose of the grant
- b Past managerial experiences
- c Other contributions
- d Specific expected use of funds
- e Controls in place to ensure funds will be utilized as prescribed

STATEMENT 7, PAGE 1

PART XV, LINE 3a

GRANTS & CONTRIBUTIONS PAID DURING THE YEAR OR APPROVED FOR FUTURE PAYMENT

PROGRAMS:

1	Program:	Matching Grants Program c/o IBM International Foundation, Armonk NY 10504
	Grantees:	509(a) Public Charities: Various U.S. tax exempt U.S.-based colleges, universities, or other post-secondary institutions, cultural, health and Environmental organizations.
	Purpose:	To support IBM employee-directed gifts to tax exempt organizations of their choice within the parameters of program guidelines.
	Amount:	\$7,391,246.29
2	Program:	General Support Grant c/o IBM International Foundation, Armonk NY 10504
	Grantee:	509(a) Public Charities: U.S. tax exempt organizations.
	Purpose:	To provide general support funds
	Amount:	\$ 1,275,000.00
3	Program:	Corporate Service Corp (CSC) / Smarter Cities Challenge (SCC) c/o IBM International Foundation, Armonk, NY 10504
	Grantee:	509(a) Public Charities: four (4) NGO's proficient in developing international training programs.
	Purpose:	Supporting and helping communities around the world address their most critical challenges. Cash grants to support implementation of CSC / SCC in designated countries.
	Amount:	\$ 7,930,436.58
4	Program:	IBM Fellowship Grants c/o IBM International Foundation, Armonk, NY 10504
	Grantees:	509(a) Public Charities: Selected Universities and Colleges
	Purpose:	To provide funds for students pursuing PhD's in engineering/computer sciences.
	Amount:	\$ 997,000.00