

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

**2008****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2008 calendar year, or tax year beginning **July 1**, 2008, and ending **June 30**, 20 **09**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>PENCIL Foundation</b> Doing Business As <b>PENCIL Foundation</b> Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>421 Great Circle Road Suite 100</b> City or town, state or country, and ZIP + 4 <b>Nashville, TN 37228</b>	<b>D</b> Employer identification number <b>58 1475675</b>
		<b>E</b> Telephone number <b>( 615 ) 242-3167</b>
		<b>G</b> Gross receipts \$ <b>29,806</b>
		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
		<b>F</b> Name and address of principal officer: <b>Connie Williams, Executive Director (same as C)</b>
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>www.pencilfoundation.org</b>		
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L</b> Year of formation: <b>1982</b> <b>M</b> State of legal domicile: <b>TN</b>		

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>Our mission is to link community resources with Nashville public schools to help young people achieve academic success and prepare for life.</b>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3 38</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4 38</b>
	<b>5</b> Total number of employees (Part V, line 2a) . . . . . <b>5 31</b>
<b>Revenue</b>	<b>6</b> Total number of volunteers (estimate if necessary) . . . . . <b>6 2,500</b>
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C) . . . . . <b>7a 1,664,477</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34. . . . . <b>7b 0</b>
	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . . <b>Prior Year 1,868,586 Current Year 1,441,002</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . . <b>0 0</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . . <b>29,829 36,600</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . <b>80,519 186,875</b>
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . <b>1,978,934 1,664,477</b>
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . . <b>25,000 0</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . . <b>0 0</b>
<b>Expenses</b>	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) . . . . . <b>1,395,296 1,362,578</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . . <b>0 0</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>79,331</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . . <b>424,550 367,087</b>
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25). . . . . <b>1,819,846 1,729,665</b>
<b>Net Assets or Fund Balances</b>	<b>19</b> Revenue less expenses. Subtract line 18 from line 12 . . . . . <b>159,088 -65,188</b>
	<b>20</b> Total assets (Part X, line 16) . . . . . <b>Beginning of Year 1,372,934 End of Year 1,303,507</b>
	<b>21</b> Total liabilities (Part X, line 26) . . . . . <b>248,886 244,647</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20. . . . . <b>1,124,048 1,058,860</b>
	<b>Part II Signature Block</b>

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

Signature of officer *Laura Ross* Digitally signed by Laura Ross  
 DN: cn=Laura Ross, o=Finance Director, PENCIL Foundation, ou, email=lross@pencilfd.org, c=US Date: 2009.12.23 07:49:52 -06'00' Date

Type or print name and title

**Preparer's Use Only**

Preparer's signature Date Check if self-employed ☐ Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 EIN Phone no. ( )

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2008)

**Part III Statement of Program Service Accomplishments** (see instructions)**1** Briefly describe the organization's mission:

**PENCIL Foundation's mission is to link community resources with Nashville Public Schools to help young people achieve academic success and prepare for life.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No  
If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☒ Yes ☐ No  
If "Yes," describe these changes on Schedule O.

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ 836,575 including grants of \$ 0 ) (Revenue \$ 0 )  
**Jobs for Tennessee Graduates**

**Increasing the graduation rate in Metro Schools is a priority. Currently only 72.6% of Nashville students graduate. Serving 11 high schools, two of which are in Giles County, and expanding into two Metro middle schools, JTG is capturing students with the message that graduating from high school provides more opportunities later in life. Job specialists work with students to provide the skills they'll need for writing a catchy resume, conducting a successful interview and transitioning into any post-secondary education after graduation. They also provide 12 months of intensive follow-up assistance for each participant.**

**2008-09 accomplishments include:**

- \* **Serving 375 high school seniors, 358 new high school graduates, 80 students in grades 9-11 and 41 7th graders**
- \* **Achieved a 96% graduation rate for seniors, an 85% positive outcome rate after 12 months and a 55% further education rate.**

**4b** (Code: ) (Expenses \$ 243,839 including grants of \$ 0 ) (Revenue \$ 0 )  
**PENCIL Partners**

**Beginning with 37 partnerships in 1982, the PENCIL Partners program has grown to include 547 businesses and organizations paired with one more more Metro schools. The purpose of the program is to provide volunteer time and resources to help children succeed academically. PENCIL Partners include Nashville's largest employers as well as small businesses, nonprofits, faith communities and university student organizations.**

**2008-09 accomplishments include:**

- \* **Recorded 96,246 volunteer hours from 8,622 volunteers working in our schools**
- \* **Recruited 85 new PENCIL Partners**
- \* **Hosted a breakfast for new principals to build relationships and educate them about partnerships in their schools**

**4c** (Code: ) (Expenses \$ 127,725 including grants of \$ 0 ) (Revenue \$ 0 )  
**Reading Partners**

**In this program, trained volunteers read aloud to students or meet with individual students once per week for 30 minute sessions, working with them to increase such areas as reading comprehension, vocabulary, fluency and motivation to read. The program continues to allow students to obtain crucial literacy skills while simultaneously fostering a love for literature.**

**2008-09 accomplishments include:**

- \* **Served 1,616 students in 34 elementary schools, 3 middle schools and the International Newcomer's Academy with 475 students receiving one-on-one assistance**
- \* **Utilized volunteers from 43 organizations**

**4d** Other program services. (Describe in Schedule O.)

(Expenses \$ 521,526 including grants of \$ 0 ) (Revenue \$ 0 )

**4e** Total program service expenses ► \$ 1,393,227 (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b> <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6</b> Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10</b> Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11</b> Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>12</b> Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the U.S.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>17</b> Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>20</b> Did the organization operate one or more hospitals? If "Yes," complete Schedule H	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>21</b> Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>22</b> Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	<input type="checkbox"/>	<input type="checkbox"/>
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	<input type="checkbox"/>	<input type="checkbox"/>
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		✓
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	✓	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		✓
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	15	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	31	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		✓
b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		✓
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions that were not tax deductible?		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	✓	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	✓	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		✓
9	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?		✓
b	Did the organization make a distribution to a donor, donor advisor, or related person?		✓
10	<b>Section 501(c)(7) organizations. Enter:</b>		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations. Enter:</b>		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

	Yes	No
For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.		
<b>1a</b> Enter the number of voting members of the governing body . . . . .	<b>1a</b>	<b>38</b>
<b>b</b> Enter the number of voting members that are independent . . . . .	<b>1b</b>	<b>38</b>
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	<b>2</b>	✓
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>	✓
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>	✓
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>	✓
<b>6</b> Does the organization have members or stockholders? . . . . .	<b>6</b>	✓
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>	✓
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>	✓
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . .	<b>8a</b>	✓
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	✓
<b>9a</b> Does the organization have local chapters, branches, or affiliates? . . . . .	<b>9a</b>	✓
<b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	<b>9b</b>	
<b>10</b> Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . .	<b>10</b>	✓
<b>11</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	<b>11</b>	✓

**Section B. Policies**

	Yes	No
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	✓
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	✓
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	✓
<b>13</b> Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	✓
<b>14</b> Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	✓
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>a</b> The organization's CEO, Executive Director, or top management official? . . . . .	<b>15a</b>	✓
<b>b</b> Other officers or key employees of the organization? . . . . .	<b>15b</b>	✓
Describe the process in Schedule O. (see instructions)		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>	✓
<b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16b</b>	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► Tennessee
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☒ Own website    ☒ Another's website    ☒ Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Laura Ross, c/o PENCIL Foundation, 421 Great Circle Road, Suite 100, Nashville, TN 37228  
(615) 242-3167, ext. 224

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Brian Abrahamson Board member	1	✓						0	0	0
DeVan Ard, Jr. Board member	1	✓						0	0	0
Sue Atkinson Board member	1	✓						0	0	0
Megan Barry Board member	1	✓						0	0	0
Scott Becker Board member	1	✓						0	0	0
Camilla P. Benbow Board member	1	✓						0	0	0
John Brockhaus Board member	1	✓						0	0	0
Don Caldwell Board member	1	✓						0	0	0
Mary Cohn Board member	1	✓						0	0	0
Bill Collier Board member	1	✓						0	0	0
Elveta Cooper Board member	1	✓						0	0	0
Tiffany Curtis Board member	1	✓						0	0	0
The Honorable Mayor Karl Dean Board member	1	✓						0	0	0
Bryan Fastenau Board member	1	✓						0	0	0
Robert C. Fisher Board Chairman	3	✓		✓				0	0	0
John Gauder Board member	1	✓						0	0	0
Brian Geraghty Board member	1	✓						0	0	0

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Jeff Gregg Treasurer	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				0	0	0
Marc Hill Board member	1	<input checked="" type="checkbox"/>						0	0	0
Chris Johnson Board member	1	<input checked="" type="checkbox"/>						0	0	0
Kevin Karrels Board member	1	<input checked="" type="checkbox"/>						0	0	0
Michael Lomax Board member	1	<input checked="" type="checkbox"/>						0	0	0
Cindy Mabe Board member	1	<input checked="" type="checkbox"/>						0	0	0
Steve Masie Board member	1	<input checked="" type="checkbox"/>						0	0	0
Dr. Nancy Platt Meador Board member	1	<input checked="" type="checkbox"/>						0	0	0
Kathy Nevill Board member	1	<input checked="" type="checkbox"/>						0	0	0
Enrico J. Pennisi Board member	1	<input checked="" type="checkbox"/>						0	0	0
Gracie Porter Board member	1	<input checked="" type="checkbox"/>						0	0	0
Jesse Register Board member	1	<input checked="" type="checkbox"/>						0	0	0
Connie Williams Executive Director	40+			<input checked="" type="checkbox"/>				111,926	0	0
<b>1b Total</b>								<b>111,926</b>	<b>0</b>	<b>0</b>

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
Not applicable - no independent contractor received compensation of more than \$100,000		
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization <b>0</b>		



**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>	87,965				
	<b>b</b> Membership dues . . . . .	<b>1b</b>	0				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>	0				
	<b>d</b> Related organizations . . . . .	<b>1d</b>	0				
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>	828,721				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>	524,316				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ . . . . .		0				
	<b>h Total.</b> Add lines 1a-1f . . . . .			1,441,002			
<b>Program Service Revenue</b>	<b>2a</b> . . . . .	<b>Business Code</b>					
	<b>b</b> . . . . .						
	<b>c</b> . . . . .						
	<b>d</b> . . . . .						
	<b>e</b> . . . . .						
	<b>f</b> All other program service revenue . . . . .						
	<b>g Total.</b> Add lines 2a-2f . . . . .			0			
	<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			36,600		
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .				0			
<b>5</b> Royalties . . . . .				0			
<b>6a</b> Gross Rents . . . . .		(i) Real	(ii) Personal				
<b>b</b> Less: rental expenses . . . . .							
<b>c</b> Rental income or (loss) . . . . .							
<b>d</b> Net rental income or (loss) . . . . .				0			
<b>7a</b> Gross amount from sales of assets other than inventory . . . . .		(i) Securities	(ii) Other				
<b>b</b> Less: cost or other basis and sales expenses . . . . .							
<b>c</b> Gain or (loss) . . . . .							
<b>d</b> Net gain or (loss) . . . . .				0			
<b>8a</b> Gross income from fundraising events (not including \$ . . . . . of contributions reported on line 1c). See Part IV, line 18 . . . . .				145,501			
<b>b</b> Less: direct expenses . . . . .				29,806			
<b>c</b> Net income or (loss) from fundraising events . . . . .				115,695			
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .							
<b>b</b> Less: direct expenses . . . . .							
<b>c</b> Net income or (loss) from gaming activities . . . . .				0			
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .							
<b>b</b> Less: cost of goods sold . . . . .							
<b>c</b> Net income or (loss) from sales of inventory . . . . .			0				
<b>Miscellaneous Revenue</b>							
<b>11a</b> Sublease of office space . . . . .	<b>Business Code</b>		532000	22,180			
<b>b</b> Fiscal services . . . . .			541200	49,000			
<b>c</b> . . . . .							
<b>d</b> All other revenue . . . . .							
<b>e Total.</b> Add lines 11a-11d . . . . .				0			
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .				1,664,477			

**Part IX Statement of Functional Expenses****Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	135,085	40,525	94,560	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	1,015,368	870,483	93,207	51,678
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	27,304	20,498	4,386	2,420
9	Other employee benefits	93,390	81,875	6,540	4,975
10	Payroll taxes	91,431	78,392	8,388	4,651
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting	13,700		13,700	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other	47,423	37,938	9,485	
12	Advertising and promotion	35,131	28,105	5,265	1,761
13	Office expenses	83,319	69,072	12,718	1,529
14	Information technology	13,885	11,802	2,083	
15	Royalties				
16	Occupancy	87,456	72,828	11,784	2,844
17	Travel	20,485	20,183	168	134
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	6,758	6,213	326	219
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance	14,470	10,853	3,617	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Student / Program Activities	40,281	40,281		
b	Miscellaneous	4,179	4,179		
c					
d					
e					
f	All other expenses				
25	<b>Total functional expenses. Add lines 1 through 24f</b>	<b>1,729,665</b>	<b>1,393,227</b>	<b>266,227</b>	<b>70,211</b>
26	<b>Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest-bearing . . . . .	335,849	1	229,425
	2 Savings and temporary cash investments . . . . .	892,359	2	853,705
	3 Pledges and grants receivable, net . . . . .	130,599	3	202,276
	4 Accounts receivable, net . . . . .		4	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7 Notes and loans receivable, net . . . . .		7	
	8 Inventories for sale or use . . . . .		8	
	9 Prepaid expenses and deferred charges . . . . .	14,127	9	18,101
	10a Land, buildings, and equipment: cost basis <b>10a</b> . . . . .			
	b Less: accumulated depreciation. Complete Part VI of Schedule D <b>10b</b> . . . . .		<b>10c</b>	
	11 Investments—publicly traded securities . . . . .		11	
	12 Investments—other securities. See Part IV, line 11 . . . . .		12	
	13 Investments—program-related. See Part IV, line 11 . . . . .		13	
	14 Intangible assets . . . . .		14	
	15 Other assets. See Part IV, line 11 . . . . .		15	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	1,372,934	16	1,303,507	
<b>Liabilities</b>	17 Accounts payable and accrued expenses . . . . .		17	
	18 Grants payable . . . . .		18	
	19 Deferred revenue . . . . .		19	
	20 Tax-exempt bond liabilities . . . . .		20	
	21 Escrow account liability. Complete Part IV of Schedule D . . . . .		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		22	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .		23	
	24 Unsecured notes and loans payable . . . . .		24	
	25 Other liabilities. Complete Part X of Schedule D . . . . .	161,303	25	98,659
	26 <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	248,886	26	244,647
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets . . . . .	1,059,048	27	1,033,360
	28 Temporarily restricted net assets . . . . .	65,000	28	25,250
	29 Permanently restricted net assets . . . . .		29	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds . . . . .		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
33 <b>Total net assets or fund balances</b> . . . . .	1,124,048	33	1,058,860	
34 <b>Total liabilities and net assets/fund balances</b> . . . . .	1,372,934	34	1,303,507	

**Part XI Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		✓
b Were the organization's financial statements audited by an independent accountant? . . . . .		✓
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .	✓	
b If "Yes," did the organization undergo the required audit or audits? . . . . .	✓	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization

PENCIL Foundation

Employer identification number

58 : 1475675

**Part I Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: .....
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I      b ☐ Type II      c ☐ Type III—Functionally integrated      d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ..... ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? .....
- (ii) A family member of a person described in (i) above? .....
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? .....

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II** **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	1,833,282	1,619,315	1,835,433	1,949,105	1,627,787	8,864,922
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .	0	0	0	0	0	0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .	0	0	0	0	0	0
<b>4</b> <b>Total.</b> Add lines 1-3 . . . . .	1,833,282	1,619,315	1,835,433	1,949,105	1,627,787	8,864,922
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						0
<b>6</b> <b>Public support.</b> Subtract line 5 from line 4. . . . .						8,864,922

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4 . . . . .	1,833,282	1,619,315	1,835,433	1,949,105	1,627,787	8,864,922
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	12,253	18,125	31,146	29,829	36,600	98,305
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .	0	0	0	0	0	0
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	0	0	0	0	0	0
<b>11</b> <b>Total support.</b> Add lines 7 through 10 . . . . .						8,963,227
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	0
<b>13</b> <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	99 %
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . .	<b>15</b>	99 %
<b>16a</b> <b>33 1/3 % support test—2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input checked="" type="checkbox"/>	
<b>b</b> <b>33 1/3 % support test—2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>17a</b> <b>10%-facts-and-circumstances test—2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>b</b> <b>10%-facts-and-circumstances test—2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>18</b> <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ . . . . .	<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6</b> <b>Total.</b> Add lines 1-5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
<b>c</b> Add lines 7a and 7b . . . . .						
<b>8</b> <b>Public support.</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6 . . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13</b> <b>Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .						
<b>14</b> <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	<b>18</b>	%

- 19a 33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐
- b 33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

**Part IV**

**Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Area for supplemental information with horizontal dashed lines.

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

PENCIL Foundation

Employer identification number

58 : 1475675

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06 . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► .....

4 Number of states where property subject to conservation easement is located ► .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . .	► \$ .....
(ii) Assets included in Form 990, Part X . . . . .	► \$ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . .	► \$ .....
b Assets included in Form 990, Part X . . . . .	► \$ .....



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other .....
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV** Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

- 2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No  
**b** If "Yes," explain the arrangement in Part XIV.

<b>Part V</b>	<b>Endowment Funds.</b> Complete if organization answered "Yes" to Form 990, Part IV, line 10.
---------------	--

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .					

- 2 Provide the estimated percentage of the year end balance held as:**

- a Board designated or quasi-endowment ▶ .....%
- b Permanent endowment ▶ .....%
- c Term endowment ▶ .....%

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)		
3a(ii)		
3b		

- (i) unrelated organizations . . . . .  
(ii) related organizations . . . . .  
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

<b>Part VI</b>	<b>Investments—Land, Buildings, and Equipment.</b> See Form 990, Part X, line 10.
----------------	---

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
<b>1a</b> Land . . . . .				
<b>b</b> Buildings . . . . .				
<b>c</b> Leasehold improvements . . . . .				
<b>d</b> Equipment . . . . .				
<b>e</b> Other . . . . .				

**Total.** Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products . . .		
Closely-held equity interests . . . . .		
Other .....		
.....		
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.....		
.....		
<b>Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶</b>		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.[illegible]

<b>Part IX</b>	<b>Other Assets.</b> See Form 990, Part X, line 15.
----------------	---

[illegible]

**Part X** **Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
Funds held for Alignment Nashville	98,659
(a 501(c)3 non-profit in which PENCIL serves as the fiscal agent in order to reduce administrative costs for both organizations)	
<b>Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.) ►</b>	<b>98,659</b>

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,664,477
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,729,665
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(65,188)
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net). Add lines 4-8	9	0
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	(65,188)

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	2,099,200
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	434,723
e	Add lines 2a through 2d	2e	434,723
3	Subtract line 2e from line 1	3	1,664,477
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	1,664,477

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	2,164,388
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Losses reported on Form 990, Part IX, line 25	2c	0
d	Other (Describe in Part XIV)	2d	434,723
e	Add lines 2a through 2d	2e	434,723
3	Subtract line 2e from line 1	3	1,729,665
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	2,164,388

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

The fair market value of donations of school supplies to PENCIL Box, a free school supply center where teachers obtain school supplies for students who could not afford them otherwise - \$434,723

**Part XIV** Supplemental Information *(continued)*

Area for supplemental information with horizontal dotted lines.



**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**NonCash Contributions**

► To be completed by organizations that answered "Yes"  
on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No. 1545-0047

**2008**

Open To Public  
Inspection

Name of the organization

**PENCIL Foundation**

Employer identification number

**58**

**1475675**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .				
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution (historic structures) . . . . .				
14 Qualified conservation contribution (other) . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► (. <b>School Supplies</b> . . . . .)	✓	<b>265,881</b>	<b>0</b>	
26 Other ► ( . . . . . ) . . . . .				
27 Other ► ( . . . . . ) . . . . .				
28 Other ► ( . . . . . ) . . . . .				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .

**29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		✓
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	✓	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		✓
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Area with horizontal dotted lines for supplemental information.

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

**PENCIL Foundation**

Employer identification number

**58**

**1475675**

**Part VI, Section B, Item 15**

The annual performance of the Executive Director is reviewed and evaluated each year by a combination of the current year's board chairman and last year's board chair. The salary is continuously evaluated by use of data provided by Nashville-based Center for Nonprofit Management for similarly qualified persons serving in the Executive Director's role within nonprofit organizations of comparable size and scope.

**Part VI, Section C, Item 19**

A disclosure file that contains application for exemption and three years of 990 filings is maintained by the Finance Director.



Name of the organization

Employer identification number

Schedule O (Form 990) 2008

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Schedule

Schedule O (Form 990) is used by an organization that files Form 990 to provide the IRS with narrative information required for responses to specific questions on Form 990, or to explain the organization's operations or responses to various questions. It allows organizations to supplement information reported on Form 990.

### Who Must File

All organizations that file Form 990 must file Schedule O (Form 990). At a minimum, the schedule must be used to answer Form 990, Part VI, lines 10 and 19. If an organization is not required to file Form 990 but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

### Specific Instructions

Use as many continuation sheets of Schedule O (Form 990) as needed.

Complete the required information on the appropriate line of Form 990 or its schedules prior to using Schedule O (Form 990).

Identify clearly the specific part and line(s) of Form 990 or its schedule(s) to which each response relates. Follow the part and line sequence of Form 990 or the part and line sequence of its schedule(s).

**Late return.** If the return is not filed by the due date (including any extension granted), use Schedule O (Form 990) to provide a statement giving the reasons for not filing on time.

**Amended return.** If the organization checked the *Amended Return* box on Form 990, line B, use Schedule O (Form 990) to list each part or schedule and line item of the Form 990 that was amended.

**Group return.** If the organization answered "Yes" to Form 990, line H(a) but "No" to line H(b), use a separate attachment to list the name, address, and EIN of each affiliated organization included in the group return. **Do not use** this schedule. See the Instructions for Form 990, *I. Group Return*.

**Parts III, V, VI, VII, and XI.** Use Schedule O (Form 990) to provide any narrative information required for the following questions.

1. Part III, *Statement of Program Service Accomplishments*.

- a. "Yes" response to line 2.
- b. "Yes" response to line 3.
- c. Other program services on line 4d.

2. "No" response to Part V, *Statements Regarding Other IRS Filings and Tax Compliance*, line 3b.

3. Part VI, *Governance, Management, and Disclosure*.

- a. Material differences in voting rights in line 1a.
- b. "Yes" responses to lines 2–7.
- c. "No" responses to lines 8 or 9b.
- d. Description of process for review, if any, on line 10.
- e. "Yes" response to line 11.
- f. "Yes" response to line 12c.
- g. Description of process for determining compensation on lines 15a and 15b.
- h. Description for making documents public on lines 18 and 19.

4. Part VII, *Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors*.

- a. Estimate of average hours per week, if any, devoted to related organizations for which compensation was reported in columns (E) or (F).
- b. Description of reasonable efforts undertaken in regard to column (E).

5. Part XI, *Financial Statements and Reporting*.

- a. Change in accounting method or description of other accounting method used on line 1.
- b. Change in committee oversight review from prior year on line 2c.
- c. "No" response to line 3b.

**Schedule G (Form 990 or 990-EZ).** If applicable, use Schedule O (Form 990) to describe payments of fundraising expenses or reimbursements as required in Part 1, line 2b, column (v).

**Schedule K (Form 990).** If applicable, use Schedule O (Form 990) to describe the organization's use of alternative 12-month reporting periods with respect to bond issues reported on Schedule K (Form 990).

**Schedule L (Form 990 or 990-EZ).** Use Schedule O (Form 990) if additional space is needed to report information required by Schedule L (Form 990 or 990-EZ).

**Schedule R (Form 990).** Use Schedule O (Form 990) to provide the group exemption relationships described on Schedule R (Form 990).

**Other.** Use Schedule O (Form 990) to provide narrative explanations and descriptions to other specific questions. The narrative provided should refer and relate to a particular line and response on the form.

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**PENCIL Foundation**

**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Employer identification number

**58 : 1475675**

**Part III, Item 3**

PENCIL Foundation no longer provides services through our adult workforce development program due to a loss of funding by the Tennessee Department of Human Services. It was the state's decision to contract with a large for-profit company who could offer the entire scope of services to those receiving public assistance. Thus, there was no longer an opportunity for us to provide our specific services in career preparedness and job placement.

Name of the organization	Employer identification number
PENCIL Foundation	58 1475675

## Part III, Item 4d

Additional PENCIL program services are:

Math Partners - helps students strengthen basic math skills and concepts with an especially strong emphasis on solving word problems. A total of 104 trained community volunteers assisted 485 students struggling with math. The program was expanded this year to include 3rd and 4th graders in 16 elementary schools.

LP PENCIL Box - gets school supplies into the hands of children who need them through generous community donations. This free school supply store provides teachers basic school supplies and gently used office supplies. Since 2005, over \$1.3 million worth of supplies have reached classrooms across the city.

Financial Literacy - uses trained volunteers to educate high school students about consumer money management and credit through a series of FDIC Money Smart modules. The curriculum helps young adults build financial knowledge, financial confidence and use banking services effectively. 275 participants were served this year.

St. Thomas Science Scholars - provides an opportunity for rising sophomores to explore the many exciting and challenging options in the healthcare profession. Conducted at St. Thomas Hospital, students are introduced to the areas of anatomy and physiology and engage in hands-on activities taught by medical professionals. 40 students were served this year.

Maplewood Family Resource Center - builds a support system for students at Maplewood High to thrive by linking community organizations, school personnel and families together to help remove barriers that may hinder academic success and productive adulthood. Services were provided to 873 students this past year.

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Schedule

Schedule O (Form 990) is used by an organization that files Form 990 to provide the IRS with narrative information required for responses to specific questions on Form 990, or to explain the organization's operations or responses to various questions. It allows organizations to supplement information reported on Form 990.

### Who Must File

All organizations that file Form 990 must file Schedule O (Form 990). At a minimum, the schedule must be used to answer Form 990, Part VI, lines 10 and 19. If an organization is not required to file Form 990 but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

### Specific Instructions

Use as many continuation sheets of Schedule O (Form 990) as needed.

Complete the required information on the appropriate line of Form 990 or its schedules prior to using Schedule O (Form 990).

Identify clearly the specific part and line(s) of Form 990 or its schedule(s) to which each response relates. Follow the part and line sequence of Form 990 or the part and line sequence of its schedule(s).

**Late return.** If the return is not filed by the due date (including any extension granted), use Schedule O (Form 990) to provide a statement giving the reasons for not filing on time.

**Amended return.** If the organization checked the *Amended Return* box on Form 990, line B, use Schedule O (Form 990) to list each part or schedule and line item of the Form 990 that was amended.

**Group return.** If the organization answered "Yes" to Form 990, line H(a) but "No" to line H(b), use a separate attachment to list the name, address, and EIN of each affiliated organization included in the group return. **Do not use** this schedule. See the Instructions for Form 990, *I. Group Return*.

**Parts III, V, VI, VII, and XI.** Use Schedule O (Form 990) to provide any narrative information required for the following questions.

1. Part III, *Statement of Program Service Accomplishments*.

- a. "Yes" response to line 2.
- b. "Yes" response to line 3.
- c. Other program services on line 4d.

2. "No" response to Part V, *Statements Regarding Other IRS Filings and Tax Compliance*, line 3b.

3. Part VI, *Governance, Management, and Disclosure*.

- a. Material differences in voting rights in line 1a.
- b. "Yes" responses to lines 2-7.
- c. "No" responses to lines 8 or 9b.
- d. Description of process for review, if any, on line 10.
- e. "Yes" response to line 11.
- f. "Yes" response to line 12c.
- g. Description of process for determining compensation on lines 15a and 15b.
- h. Description for making documents public on lines 18 and 19.

4. Part VII, *Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors*.

- a. Estimate of average hours per week, if any, devoted to related organizations for which compensation was reported in columns (E) or (F).
- b. Description of reasonable efforts undertaken in regard to column (E).

5. Part XI, *Financial Statements and Reporting*.

a. Change in accounting method or description of other accounting method used on line 1.

b. Change in committee oversight review from prior year on line 2c.

c. "No" response to line 3b.

**Schedule G (Form 990 or 990-EZ).** If applicable, use Schedule O (Form 990) to describe payments of fundraising expenses or reimbursements as required in Part 1, line 2b, column (v).

**Schedule K (Form 990).** If applicable, use Schedule O (Form 990) to describe the organization's use of alternative 12-month reporting periods with respect to bond issues reported on Schedule K (Form 990).

**Schedule L (Form 990 or 990-EZ).** Use Schedule O (Form 990) if additional space is needed to report information required by Schedule L (Form 990 or 990-EZ).

**Schedule R (Form 990).** Use Schedule O (Form 990) to provide the group exemption relationships described on Schedule R (Form 990).

**Other.** Use Schedule O (Form 990) to provide narrative explanations and descriptions to other specific questions. The narrative provided should refer and relate to a particular line and response on the form.