

Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

2009

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning **JUN 1, 2009**, and ending **MAY 31, 2010**

G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation The Hanley Family Foundation, Inc. c/o Michael Hanley	A Employer identification number 59-2745187
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 485 Winfield Glen Court	B Telephone number (404) 351-2262
	City or town, state, and ZIP code Atlanta, GA 30342	C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 15,191,887. (Part I, column (d) must be on cash basis.)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B Interest on savings and temporary cash investments	1,741.	1,741.		Statement 1
	3 Dividends and interest from securities	289,784.	289,784.		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	209,357.			
	b Gross sales price for all assets on line 6a	8,872,143.			
	7 Capital gain net income (from Part IV, line 2)		209,357.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
c Gross profit or (loss)					
11 Other income	105,869.	105,869.		Statement 3	
12 Total. Add lines 1 through 11	606,751.	606,751.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	85,000.	8,500.		76,500.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	6,502.	650.		5,852.
	16a Legal fees				
	b Accounting fees Stmt 4	16,990.	4,000.		12,990.
	c Other professional fees				
	17 Interest				
	18 Taxes Stmt 5	5,415.	5,415.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 6	107,391.	90,347.		17,044.
	24 Total operating and administrative expenses. Add lines 13 through 23	221,298.	108,912.		112,386.
	25 Contributions, gifts, grants paid	691,500.			691,500.
26 Total expenses and disbursements. Add lines 24 and 25	912,798.	108,912.		803,886.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<306,047.>				
b Net investment income (if negative, enter -0-)		497,839.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	2,230,918.	636,018.	636,018.
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	4,039.		
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock Stmt 7	3,574,961.	4,342,337.	4,433,482.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment: basis			
	Less: accumulated depreciation				
12	Investments - mortgage loans				
13	Investments - other Stmt 8	8,916,657.	8,947,239.	8,367,576.	
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation				
15	Other assets (describe Statement 9)	3,634,616.	4,125,511.	1,754,811.	
16	Total assets (to be completed by all filers)	18,361,191.	18,051,105.	15,191,887.	
Liabilities	17	Accounts payable and accrued expenses		955.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)	0.	955.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	18,361,191.	18,050,150.	
30	Total net assets or fund balances	18,361,191.	18,050,150.		
31	Total liabilities and net assets/fund balances	18,361,191.	18,051,105.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	18,361,191.
2	Enter amount from Part I, line 27a	2	<306,047.>
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	18,055,144.
5	Decreases not included in line 2 (itemize) Federal Income Tax Expense	5	4,994.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	18,050,150.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b See Attached Statement			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 8,872,143.		8,859,063.	209,357.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			209,357.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	209,357.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2008	876,036.	15,115,955.	.057954
2007	998,051.	18,807,452.	.053067
2006	1,002,170.	20,444,248.	.049020
2005	912,749.	19,390,599.	.047072
2004	866,874.	18,574,355.	.046670

2 Total of line 1, column (d)	2	.253783
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.050757
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	15,677,971.
5 Multiply line 4 by line 3	5	795,767.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,978.
7 Add lines 5 and 6	7	800,745.
8 Enter qualifying distributions from Part XII, line 4	8	803,886.

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.

The Hanley Family Foundation, Inc.
c/o Michael Hanley

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	4,978.
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	0.
3 Add lines 1 and 2		3	4,978.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,978.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	4,039.	
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	4,039.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	16.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	955.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> 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 instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	X	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>GA, FL</u>		
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ http://www.hanleyfamilyfoundation.org/	13	X	
14	The books are in care of ▶ <u>Michael Hanley</u> Telephone no. ▶ <u>(404) 351-2262</u> Located at ▶ <u>485 Winfield Glen Court, Atlanta, GA</u> ZIP+4 ▶ <u>30342</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15		N/A

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
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 2009?	1c	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <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.) N/A	2b	
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 2009 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 2009.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
Organizations relying on a current notice regarding disaster assistance check here **N/A**

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No **N/A**
If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **N/A**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 10		85,000.	0.	0.

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

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

Total number of other employees paid over \$50,000 **0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 The granting of funds to charitable organizations involved in the diagnosis and treatment of alcohol and chemical dependence, including related research and education.	691,500.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

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	6,967,987.
b	Average of monthly cash balances	1b	691,650.
c	Fair market value of all other assets	1c	8,257,085.
d	Total (add lines 1a, b, and c)	1d	15,916,722.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)		1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	15,916,722.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	238,751.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	15,677,971.
6	Minimum investment return. Enter 5% of line 5	6	783,899.

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	783,899.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	4,978.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,978.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	778,921.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	778,921.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	778,921.

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	803,886.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:			
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	803,886.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	4,978.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	798,908.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				778,921.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			682,528.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	803,886.			
a Applied to 2008, but not more than line 2a			682,528.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				121,358.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				657,563.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

See Statement 11

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

None

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

Michael Hanley, (404) 351-2262
485 Winfield Glen Court, Atlanta, GA 30342

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

Request grant guidelines and information to be submitted.

c Any submission deadlines:

No

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

See Part IX-A.

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment					
Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
a <i>Paid during the year</i>					
See Statement 12					
Total				▶ 3a	691,500.
b <i>Approved for future payment</i>					
None					
Total				▶ 3b	0.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a State Street Bank & Trust-See Statement D		Various	Various
b State Street Bank & Trust-See Statement D		Various	Various
c Bessemer Trust-See Statement D		Various	Various
d Bessemer Trust-See Statement D		Various	Various
e Sonamed Escrow		07/08/08	06/09/09
f Virtual Inc		08/24/07	12/29/09
g CIPHERGEN Biosystems Inc Pfd Ser D		07/28/98	02/17/10
h Capital Gain on K-1 Silchester		Various	Various
i Capital Gain on K-1 Silchester		Various	Various
j Capital Gain on K-1 Old Westbury I		Various	Various
k Capital Loss on K-1 Old Westbury II		Various	Various
l LTCG Class Action Proceeds-Welch & Forbes		Various	Various
m LTCG Class Action Proceeds-Bessemer Trust		Various	Various
n LTCG Class Action Proceeds-State Street Bank & Tr		Various	Various
o			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 7,525,433.		7,514,639.	10,794.
b 31,197.		49,766.	<18,569.>
c 503,510.		512,102.	<8,592.>
d 796,845.		758,153.	38,692.
e 4,382.		4,382.	0.
f 25.		21.	4.
g 10,751.		20,000.	<9,249.>
h			68,387.
i			125,526.
j			72.
k			<1,841.>
l			296.
m			85.
n			3,752.
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			10,794.
b			<18,569.>
c			<8,592.>
d			38,692.
e			0.
f			4.
g			<9,249.>
h			68,387.
i			125,526.
j			72.
k			<1,841.>
l			296.
m			85.
n			3,752.
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	209,357.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Wachovia MMKT	1,741.
Total to Form 990-PF, Part I, line 3, Column A	1,741.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Dividends - Bessemer Trust	37,507.	0.	37,507.
Dividends - State Street Bank & Trust	32,465.	0.	32,465.
Dividends - TIFF Multi-Asset Fund	95,258.	0.	95,258.
Dividends - Welch & Forbes	7.	0.	7.
Dividends from Schedule K-1 -- Old Westbury Private Capital I	182.	0.	182.
Dividends from Schedule K-1 -- Old Westbury Private Capital II	47.	0.	47.
Dividends from Schedule K-1 -- Silchester International Investors	113,124.	0.	113,124.
Interest - Bessemer Trust	282.	0.	282.
Interest - State Street Bank & Trust	10,043.	0.	10,043.
Interest from Schedule K-1 -- Old Westbury Private Capital I	525.	0.	525.
Interest from Schedule K-1 -- Old Westbury Private Capital II	317.	0.	317.
Interest from Schedule K-1 -- Silchester International Investors	27.	0.	27.
Total to Fm 990-PF, Part I, ln 4	289,784.	0.	289,784.

Form 990-PF	Other Income		Statement	3
Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	
Ordinary Income from Schedule K-1 -- Old Westbury Private Capital I	159.	159.		
Ordinary Loss from Schedule K-1 -- Old Westbury Private Capital II	<8.>	<8.>		
Other Income from Schedule K-1 -- Powershares DB Agri Fd	460.	460.		
Other Loss from Schedule K-1 -- Old Westbury Private Capital I	<1,868.>	<1,868.>		
Other Loss from Schedule K-1 -- Old Westbury Private Capital II	<6,118.>	<6,118.>		
Other Income from Schedule K-1 -- Silchester Investment Advisors	67,519.	67,519.		
Annuity Income - American Natl	13,278.	13,278.		
Annuity Income - Penn Mutual	15,310.	15,310.		
Annuity Income - Nationwide Life	17,137.	17,137.		
Total to Form 990-PF, Part I, line 11	105,869.	105,869.		

Form 990-PF	Accounting Fees		Statement	4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	16,990.	4,000.		12,990.
To Form 990-PF, Pg 1, ln 16b	16,990.	4,000.		12,990.

Form 990-PF	Taxes		Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign Taxes	5,415.	5,415.		0.
To Form 990-PF, Pg 1, ln 18	5,415.	5,415.		0.

Form 990-PF	Other Expenses			Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Administration Expenses	385.	91.		294.	
Investment Management Fees	83,095.	83,095.		0.	
Investment Expenses from Schedule K-1 -- Old Westbury Private Capital I	2,617.	2,617.		0.	
Investment Expenses from Schedule K-1 -- Old Westbury Private Capital II	2,536.	2,536.		0.	
Insurance	8,830.	2,008.		6,822.	
Direct Charitable Purpose Expense	9,515.	0.		9,515.	
Meeting Expense	413.	0.		413.	
To Form 990-PF, Pg 1, ln 23	107,391.	90,347.		17,044.	

Form 990-PF	Corporate Stock		Statement	7
Description	Book Value	Fair Market Value		
Corporate Stock - Bessemer Trust	2,237,664.	2,367,481.		
Corporate Stock - State Street Bank & Trust	2,062,582.	2,057,610.		
Corporate Stock - Welch & Forbes	42,091.	8,391.		
Total to Form 990-PF, Part II, line 10b	4,342,337.	4,433,482.		

Form 990-PF	Other Investments		Statement	8
Description	Valuation Method	Book Value	Fair Market Value	
Limited Partnerships - Bessemer Trust	COST	301,240.	234,763.	
Silchester International Investors, Inc	COST	4,089,614.	3,966,152.	
TIFF Multi-Asset Fund	COST	2,503,746.	2,114,022.	
Annuity-Penn Mutual	COST	684,265.	684,265.	
Annuity-Nationwide	COST	684,192.	684,192.	
Annuity-American National	COST	684,182.	684,182.	
Total to Form 990-PF, Part II, line 13		8,947,239.	8,367,576.	

Form 990-PF	Other Assets		Statement	9
Description	Beginning of Yr Book Value	End of Year Book Value	Fair Market Value	
Cash Surrender Value of Life Insurance	3,634,616.	4,125,511.	1,754,811.	
To Form 990-PF, Part II, line 15	3,634,616.	4,125,511.	1,754,811.	

Form 990-PF	Part VIII - List of Officers, Directors Trustees and Foundation Managers	Statement	10
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Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
John W. Hanley, Jr.	Chairman 5.00	0.	0.	0.
John W. Hanley, Sr.	Director 5.00	0.	0.	0.
Mary Jane Hanley	Director 5.00	0.	0.	0.
Susan H. Meyers	Director 5.00	0.	0.	0.
Michael James Hanley	President/Treasurer 40.00	85,000.	0.	0.
Amy H. Rothermel	Director 5.00	0.	0.	0.
Andrew Rothermel	Director 5.00	0.	0.	0.

Form 990-PF	Grants and Contributions Paid During the Year	Statement 12
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Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
Hanley Center Foundation 933 45th St West Palm Beach, FL 33407	N/A See Part IX-A	Public	380,000.
Caron Foundation PO Box 150 Wernersville, PA 19565	N/A See Part IX-A	Public	100,000.
Partnership for a Drug-Free America 405 Lexington Ave, 16 FL New York, NY 10174	N/A See Part IX-A	Public	75,000.
Hanley Hall of the Treasure Coast, Inc. 3395 11th Court Vero Beach, FL 32960	N/A See Part IX-A	Public	50,000.
Cumberland Heights Foundation PO Box 90727 Nashville, TN 90727	N/A See Part IX-A	Public	25,000.
Breakthru House Inc 1866 Eastfield Street Decatur, GA 30032	N/A See Part IX-A	Public	25,000.
Serenity Consultants, Inc. 508 Elberon Cincinnati, OH 45205	N/A See Part IX-A	Public	20,000.
St Jude's Recovery Center, Inc. 139 Renaissance Parkway, NE Atlanta, GA 30308	N/A See Part IX-A	Public	10,000.

The Hanley Family Foundation, Inc. c/o M

59-2745187

National Assoc for Children of Alcoholics 11426 Rockville Pike, Suite 301 Rockville, MD 20852	N/A See Part IX-A	Public	3,500.
Renewal House, Inc. PO Box 280356 Nashville, TN 37228	N/A See Part IX-A	Public	3,000.

Total to Form 990-PF, Part XV, line 3a

691,500.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Form **990-PF**

2009

Name **The Hanley Family Foundation, Inc.**
c/o Michael Hanley

Employer identification number
59-2745187

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)	1	4,978.
2 a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
c Credit for federal tax paid on fuels (see instructions)	2c	
d Total. Add lines 2a through 2c	2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	4,978.
4 Enter the tax shown on the corporation's 2008 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	3,683.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	3,683.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	10/15/09	11/15/09	02/15/10	05/15/10
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	921.	1,568.	1,245.	1,244.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	4,039.			
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12		3,118.	1,550.	305.
13 Add lines 11 and 12	13		3,118.	1,550.	305.
14 Add amounts on lines 16 and 17 of the preceding column	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	4,039.	3,118.	1,550.	305.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17				939.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	3,118.	1,550.	305.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19	Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20	Number of days from due date of installment on line 9 to the date shown on line 19	20			
21	Number of days on line 20 after 4/15/2009 and before 7/1/2009	21			
22	Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	22	\$	\$	\$
23	Number of days on line 20 after 06/30/2009 and before 10/1/2009	23			
24	Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	24	\$	\$	\$
25	Number of days on line 20 after 9/30/2009 and before 1/1/2010	25			
26	Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 4\%}{365}$	26	\$	\$	\$
27	Number of days on line 20 after 12/31/2009 and before 4/1/2010	27	See Attached Worksheet		
28	Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 4\%}{365}$	28	\$	\$	\$
29	Number of days on line 20 after 3/31/2010 and before 7/1/2010	29			
30	Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31	Number of days on line 20 after 6/30/2010 and before 10/01/2010	31			
32	Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33	Number of days on line 20 after 9/30/2010 and before 1/1/2011	33			
34	Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34	\$	\$	\$
35	Number of days on line 20 after 12/31/2010 and before 2/16/2011	35			
36	Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36	\$	\$	\$
37	Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$
38	Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38	\$		16.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

