

### Short Form

## Return of Organization Exempt From Income Tax

Form **990-EZ**

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

► Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.

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

Department of the Treasury  
Internal Revenue Service

2008

Open to Public Inspection

**A** For the 2008 calendar year, or tax year beginning January 1, 2008, and ending December 31, 20 08

<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	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization <b>The Education and Research Foundation of the BBB of Metro NY</b> Number and street (or P.O. box, if mail is not delivered to street address) Room/suite <b>257 Park Ave South</b> City or town, state or country, and ZIP + 4 <b>New York, NY 10010</b>	<b>D</b> Employer identification number <b>13 6263835</b>  <b>E</b> Telephone number <b>( 212 ) 533-7500</b>  <b>F</b> Group Exemption Number . . . ►
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G** Accounting method:  Cash  Accrual  
Other (specify) ►

**I** Website: ► www.newyork.bbb.org

**H** Check  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

**J** Organization type (check only one) —  501(c) ( 3 ) ◀ (insert no.)  4947(a)(1) or  527

**K** Check  if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$1,000,000 or more, file Form 990 instead of Form 990-EZ ► \$ 394276

### Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue	1 Contributions, gifts, grants, and similar amounts received . . . . .	1	270113
	2 Program service revenue including government fees and contracts . . . . .	2	117190
	3 Membership dues and assessments . . . . .	3	
	4 Investment income . . . . .	4	6973
	5a Gross amount from sale of assets other than inventory . . . . .	5a	
	b Less: cost or other basis and sales expenses . . . . .	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule) . . . . .	5c	-0-
	6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	a Gross revenue (not including \$ _____ of contributions reported on line 1) . . . . .	6a	
	b Less: direct expenses other than fundraising expenses . . . . .	6b	
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a) . . . . .	6c	-0-	
7a Gross sales of inventory, less returns and allowances . . . . .	7a		
b Less: cost of goods sold . . . . .	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) . . . . .	7c	-0-	
8 Other revenue (describe ► _____ ) . . . . .	8	-0-	
9 <b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8. . . . .	9	394276	
Expenses	10 Grants and similar amounts paid (attach schedule) . . . . .	10	-
	11 Benefits paid to or for members . . . . .	11	-
	12 Salaries, other compensation, and employee benefits . . . . .	12	197647
	13 Professional fees and other payments to independent contractors . . . . .	13	32899
	14 Occupancy, rent, utilities, and maintenance . . . . .	14	-
	15 Printing, publications, postage, and shipping . . . . .	15	80651
	16 Other expenses (describe ► <u>Schedule 1</u> ) . . . . .	16	77045
17 <b>Total expenses.</b> Add lines 10 through 16 . . . . .	17	388242	
Net Assets	18 Excess or (deficit) for the year (Subtract line 17 from line 9). . . . .	18	6034
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) . . . . .	19	433011
	20 Other changes in net assets or fund balances (attach explanation) . . . . .	20	-
	21 <b>Net assets or fund balances at end of year.</b> Combine lines 18 through 20 . . . . .	21	439045

### Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

		(A) Beginning of year		(B) End of year
22 Cash, savings, and investments . . . . .	22	434269		508684
23 Land and buildings . . . . .	23	84444		23118
24 Other assets (describe ► <u>Prepaid expense</u> ) . . . . .	24	-		2362
25 <b>Total assets</b> . . . . .	25	518713		534164
26 <b>Total liabilities</b> (describe ► <u>Schedule 2</u> ) . . . . .	26	85702		95119
27 <b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21) . . . . .	27	433011		439045



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**Part V Other Information** (Note the statement requirements in the instructions for Part VI.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		✓
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		✓
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
35a	a Did the organization have unrelated business gross income of \$1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?		✓
35b	b If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Schedule N		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a   -0-		
37b	b Did the organization file Form 1120-POL for this year?		
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		✓
38b	b If "Yes," complete Schedule L, Part II and enter the total amount involved		N/A
39	Section 501(c)(7) organizations. Enter:		
39a	a Initiation fees and capital contributions included on line 9		N/A
39b	b Gross receipts, included on line 9, for public use of club facilities		N/A
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ -0- ; section 4912 ▶ -0- ; section 4955 ▶ -0-		
40b	b Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I		✓
40c	c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
40d	d Enter amount of tax on line 40c reimbursed by the organization		NONE
40e	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.		✓
41	List the states with which a copy of this return is filed. ▶ New York		
42a	The books are in care of ▶ Edward Wulff, Controller Telephone no. ▶ ( 212 ) 358-2813 Located at ▶ 257 Park Ave South, New York, NY ZIP + 4 ▶ 10010-7308		
42b	b 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)?		✓
42c	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.		✓
43	c At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43   N/A		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓

**THE EDUCATION AND RESEARCH FOUNDATION**  
of the Better Business Bureau of Metropolitan New York

Form 990-EZ (2008)

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**Part VI Section 501(c)(3) organizations only.** All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

- |   |     | Yes | No |
|---|-----|-----|----|
| 46 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 . . . . . | 46  |     | ✓  |
| 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II . . . . .   | 47  |     | ✓  |
| 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .   | 48  |     | ✓  |
| 49a Did the organization make any transfers to an exempt non-charitable related organization? <i>Schedule 4</i> . . . . .   | 49a | ✓   |    |
| b If "Yes," was the related organization(s) a section 527 organization? . . . . .   | 49b |     | ✓  |
- 50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
N/A				
Total number of other employees paid over \$100,000 ▶				

51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
N/A		
Total number of other independent contractors each receiving over \$100,000 . . . ▶		

**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: *Walter Porezaguel* Date: 12-18-09  
Type or print name and title: PRESIDENT / CEO

**Paid Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP + 4: \_\_\_\_\_ Preparer's Identifying Number (See instructions): \_\_\_\_\_  
EIN: \_\_\_\_\_ Phone no.: ( ) \_\_\_\_\_

May the IRS discuss this return with the preparer shown above? See instructions . . . . .  Yes  No

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

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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.

Name of the organization <b>The Education and Research Foundation of the Better Business Bureau of Metro NY</b>	Employer identification number <b>13</b>	Employer identification number <b>6263835</b>
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**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?

	Yes	No
(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? .....	11g(i)	
(ii) A family member of a person described in (i) above? .....	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	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>									

THE EDUCATION AND RESEARCH FOUNDATION

of the Better Business Bureau of Metropolitan New York

13 626 3835

Schedule A (Form 990 or 990-EZ) 2008

**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
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	268685	251224	327480	322585	371703	1541677
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
4 <b>Total.</b> Add lines 1-3 . . . . .	268685	251224	327480	322585	371703	1541677
5 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) . . . . .						207420
6 <b>Public support.</b> Subtract line 5 from line 4.						1334257

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4 . . . . .	268685	251224	327480	322585	371703	1541677
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	1235	4014	9419	13890	6973	35531
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	12126	13309	12579	16200	15600	69814
11 <b>Total support.</b> Add lines 7 through 10 . . . . .						1647022
12 Gross receipts from related activities, etc. (see instructions) . . . . .					12	0
13 <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**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	81.10 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . .	15	78.47 %
16a <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>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"/>		
17a <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>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"/>		
18 <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"/>		

The Education and Research Foundation of the Better Business Bureau of Metropolitan New York, Inc.  
FID 13-6263835  
Schedule 1 Form 990 EZ 2008

Part 1  
Line 16

Other Expense	2008
Depreciation	\$64,411
Intern Expenses, food + travel	<u>\$12,634</u>
Total	<u>\$77,045</u>

The Education and Research Foundation of the Better Business Bureau of Metropolitan New York, Inc.

FID 13-6263835

Schedule 2

Form 990 EZ

2008

Part II

Line 26

	2007	2008
Total Liabilities		
Due to Better Business Bureau, liability for expenses paid by BBB	\$4,836	\$17,871
Deferred Seal income revenue	<u>\$80,866</u>	<u>\$77,248</u>
Total	\$85,702	\$95,119

**The Education and Research Foundation of the Better Business Bureau of Metropolitan New York, Inc.**

**FID 13-6263835**

**Schedule 3**

**Form 990 EZ**

**2008**

**Part III**

**Organization Primary Exempt Purpose**

The Education and Research Foundation of The Better Business Bureau of Metropolitan New York, Inc. (the "Foundation") is a not-for-profit organization exempt from federal income tax under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Foundation is an affiliate of, but is not controlled by, The Better Business Bureau of Metropolitan New York, Inc. (the "Bureau")

The Foundation's largest program is the New York Philanthropic Advisory Service ("NYPAS"), which promotes local giving to charities. NYPAS promotes giving by encouraging charities to be accountable to donors and to meet a set of national BBB Wise Giving Alliance standards. Through extensive interactions with local charities, NYPAS also measures the charities' performance against its standards in several key areas. NYPAS then publishes its findings in several different media. These reports encourage donors to support local charities by ensuring that donors, when making decisions about giving, can learn about local charities' governance, finances, solicitation practices, effectiveness, commitment to donor privacy and other matters. NYPAS also works with charities to help them meet its standards of accountability by providing information on its standards and on the local resources available for low-cost or free assistance to not-for-profit entities. Recently, NYPAS has added an activity, the Better Business Bureau New York Charity Seal Program for those charities that meet all of its standards; for a small fee (based on a sliding scale), the Seal Program permits those charities to use its logo in the charities' publications.

The Foundation is working to increase access to its information by Spanish-speaking consumers and businesses through its Latino Initiatives Program. In February 2008 and 2009, in partnership with Univision Channel 41, the Foundation conducted a call-in program for Spanish-speaking consumers called BBB Live, that addressed foreclosure prevention. In addition, through other education initiatives, the Foundation educates consumers and businesses on a wide-range of business, charitable and consumer topics, ranging from FINRA/Get More Money Now, a financial literacy education program, to Good Practices for Entrepreneurs. In all of its programs and activities, the Foundation identifies, recognizes and supports ethical and accountable practices.

The Education and Research Foundation of the Better Business Bureau of Metropolitan New York, Inc.

FID 13-6263835

Schedule 4

Form 990 EZ

2008

Part IV

Line 49a

The Education and Research Foundation of The Better Business Bureau of Metropolitan New York, Inc. (the "Foundation") is a not-for-profit organization exempt from federal income tax under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Foundation is an affiliate of, but is not controlled by, the Better Business Bureau of Metropolitan New York, Inc, a 501-C-6 organization.

The Better Business Bureau pays all expenses and payroll for the Foundation and the Foundation reimburses the BBB monthly. The transfers of funds to the BBB in 2008 were \$191,700.

The two organizations share the same executive director and both boards have only the executive director in common, who is non-voting.