



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Organization Exempt from Income Tax

2002

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

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

A For the 2002 calendar year, or tax year beginning 2002, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type See specific instructions

The Sierra Club Foundation 85 Second Street #750 San Francisco, CA 94105

D Employer identification number

94-6069890

E Telephone number

415-995-1789

F Accounting method

Cash [] Accrual [X]

Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

Not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes [] No [X]

H (b) If Yes enter number of affiliates

H (c) Are all affiliates included? Yes [] No [X]

(If No attach a list See instructions)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes [] No [X]

I Enter 4 digit GEN

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

G Web site N/A

J Organization type (check only one)

[X] 501(c) 3 (insert no) [] 4947(a)(1) or [] 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 241,236,005

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1 Contributions, gifts, grants, and similar amounts received

a Direct public support

1a 18,313,010.

b Indirect public support

1b 429,483

c Government contributions (grants)

1c

d Total (add lines 1a through 1c) (cash \$ 13,164,558 noncash \$ 5,577,935)

1d 18,742,493

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4 134,935

5 Dividends and interest from securities

5 2,775,439.

6a Gross rents

6a

b Less rental expenses

6b

c Net rental income or (loss) (subtract line 6b from line 6a)

6c

7 Other investment income (describe)

7

8a Gross amount from sales of assets other than inventory

(A) Securities

(B) Other

219,583,138

8a

b Less cost or other basis and sales expenses

217,616,175

8b

c Gain or (loss) (attach schedule) Statement 1

1,966,963

8c

8d 1,966,963

d Net gain or (loss) (combine lines 8a, 8b, and 8c)

9 Special events and activities (attach schedule)

a Gross revenue (not including \$ of contributions reported on line 1a)

9a

b Less direct expenses other than fundraising expenses

9b

c Net income or (loss) from special events (subtract line 9b from line 9a)

9c

10a Gross sales of inventory, less returns and allowances

10a

b Less cost of goods sold

10b

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10c

11 Other revenue (from Part VII, line 103)

11

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 23,619,830.

13 Program services (from line 44, column (B))

13 39,272,008

14 Management and general (from line 44, column (C))

14 955,829

15 Fundraising (from line 44, column (D))

15 2,429,133

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 42,656,970

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 -19,037,140

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 117,699,759.

20 Other changes in net assets or fund balances (attach explanation)

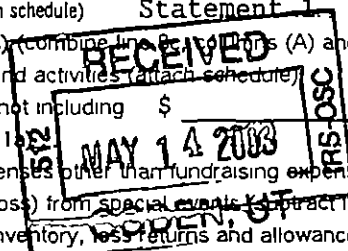
See Statement 2

20 -1,952,575

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 96,710,044

SCANNED MAY 30 2003



Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) See Stm 3 (cash \$ <u>39198343.</u> non cash \$ _____)	22 39,198,343	39,198,343		
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 385,439		385,439	
26 Other salaries and wages	26 109,523		109,523	
27 Pension plan contributions	27 38,556		38,556	
28 Other employee benefits	28 81,268		81,268	
29 Payroll taxes	29 39,878		39,878	
30 Professional fundraising fees	30 2,400,000			2,400,000
31 Accounting fees	31 26,900		26,900	
32 Legal fees	32 27,954		27,954	
33 Supplies	33 5,953		5,953	
34 Telephone	34 5,347		5,347	
35 Postage and shipping	35 7,071		7,071	
36 Occupancy	36 62,928		62,928	
37 Equipment rental and maintenance	37 17,570		17,570	
38 Printing and publications	38 7,219		7,219	
39 Travel	39 18,120		18,120	
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42 38,527		38,527	
43 Other expenses not covered above (itemize)				
a See Statement 4	43a 186,374	73,665	83,576	29,133
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 42,656,970	39,272,008	955,829	2,429,133

Joint Costs Check if you are following SOP 98 2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>See Statement 5</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a <u>The Sierra Club Foundation provides grants to support charitable, education, scientific, literary and endeavors that enhance the natural environment</u> (Grants and allocations \$ 39,198,343)	39,272,008
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	39,272,008

Part IV Balance Sheets (See Instructions)

Note		(A) Beginning of year		(B) End of year	
ASSETS	45	Cash – non interest bearing		45	
	46	Savings and temporary cash investments		11,529,337.	46 5,395,217.
	47a	47a	609,546		
		47b		825,376	47c 609,546
	48a	48a	1,794,271		
		48b		2,125,830	48c 1,794,271
	49	Grants receivable			49
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51a	51a			
		51b			51c
	52	Inventories for sale or use			52
	53	Prepaid expenses and deferred charges		12,166.	53 16,998
	54	Investments – securities (attach schedule) See St 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		103,490,264	54 89,180,210
	55a	55a			
		55b			55c
56	Investments – other (attach schedule) See Stmt 7		378,135.	56 752,901	
57a	57a	727,218			
	57b	153,171.	602,686	57c 574,047	
58	Other assets (describe ▶ See Statement 9)		10,022,478	58 9,410,784	
59	Total assets (add lines 45 through 58) (must equal line 74)		128,986,272.	59 107,733,974	
LIABILITIES	60	Accounts payable and accrued expenses		408,916.	60 771,882
	61	Grants payable		4,553,986.	61 3,916,231
	62	Deferred revenue			62
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64a	64a Tax exempt bond liabilities (attach schedule)			
		64b			64b
	65	65 Other liabilities (describe ▶ See Statement 10)		6,323,611	65 6,335,817
66	66 Total liabilities (add lines 60 through 65)		11,286,513.	66 11,023,930.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	67 Unrestricted		96,377,318	67 76,441,166
	68	68 Temporarily restricted		14,871,545.	68 13,351,166
	69	69 Permanently restricted		6,450,896	69 6,917,712
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	70 Capital stock, trust principal, or current funds			70
	71	71 Paid in or capital surplus, or land, building, and equipment fund			71
	72	72 Retained earnings, endowment, accumulated income, or other funds			72
	73	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21).		117,699,759.	73 96,710,044.
	74	74 Total liabilities and net assets/fund balances (add lines 66 and 73)		128,986,272	74 107,733,974

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements	a	21,667,255
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ -1,646,517		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	-1,646,517
c	Line a minus line b	c	23,313,772
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	306,058
e	Total revenue per line 12, Form 990 (line c plus line d)	e	23,619,830

a	Total expenses and losses per audited financial statements	a	42,656,970
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	42,656,970
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	42,656,970

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(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 and other allowances
John DeCock 85 2nd Street, Suite 750 San Francisco, CA 94105	Exec Dir 35 hours/week	127,265	10,739	0
Nancy Thomas 85 2nd Street, Suite 750 San Francisco, CA 94105	Dir of Finance 35 hours/week	95,020.	6,609.	0
Iqbal Parupia 85 2nd Street, Suite 750 San Francisco, CA 94105	Controller 35 hours/week	60,647	1,874.	0.
Mary E McGarrahan 85 2nd Street, Suite 750 San Francisco, CA 94105	Dir of Admin 35 hours/week	46,009	3,249	0.
Andrea Manion 85 2nd Street, Suite 750 San Francisco, CA 94105	Grants Director 35 hours/week	56,498.	3,960	0.
See statement attached Board of Trustees (Statement 11A),	None	0.	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81a	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures. See line 81 instructions.	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4) (5) or (6) organizations a Were substantially all dues nondeductible by members?		N/A
85b	b Did the organization make only in house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		N/A
85c	c Dues, assessments, and similar amounts from members	85c	N/A
85d	d Section 162(e) lobbying and political expenditures	85d	N/A
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86a	86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	87 501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If Yes, complete Part IX		X
89a	89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
89b	b 501(c)(3) and 501(c)(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,' attach a statement explaining each transaction	89b	X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
	d Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	90a List the states with which a copy of this return is filed <u>See statement 11B</u>		
90b	b Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	8
91	91 The books are in care of <u>Nancy Thomas</u> Telephone number <u>415-995-1789</u> Located at <u>85 Second Street, #750, San Francisco</u> ZIP + 4 <u>94105</u>		
92	92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax exempt interest received or accrued during the tax year <u>92</u>		N/A

Part VII Analysis of Income-Producing Activities (See instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	134,935	
96 Dividends & interest from securities			14	2,775,439.	
97 Net rental income or (loss) from real estate					
a debt financed property					
b not debt financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	1,966,963.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				4,877,337.	
105 Total (add line 104, columns (B), (D), and (E))					4,877,337

Note Line 105 plus line 1d Part I should equal the amount on line 12 Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions)

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

Note If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please 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: Nancy Thomas Date: 5/7/03

Type or print name and title: Nancy Thomas, Assistant Treasurer / Director of Finance

Paid Preparer's Use Only

Preparer's signature: John W. Duruda Date: MAY 06 2003 Check if self-employed:

Firm's name (or yours if self-employed) address, and ZIP + 4: RK Taylor & Associates
2890 North Main St, Suite 305
Walnut Creek, CA 94597

Preparer's SSN or PTIN (see General Instruction W): 900009948

EIN: 68-0422725

Phone no: (925) 944-7662

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

The Sierra Club Foundation

Employer identification number

94-6069890

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions List each one If there are 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 and other allowances
None				

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

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions List each one (whether individuals or firms) If there are none, enter 'None')

(a) Name and address of each independent contractor 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 III Statements About Activities (See instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI A, or line 1 of Part VI B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI A. Other organizations checking 'Yes,' must complete Part VI B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.) See Statement 12		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments.		

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **▶** _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV A)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV A)
- 11 b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV A)
- 12 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 charitable, etc, 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) (Also complete the **Support Schedule** in Part IV A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting*

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	67,185,877.	61,059,571.	23,330,590.	16,708,523	168,284,561.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30 1975	5,702,319.	2,396,082	1,633,720	1,220,859.	10,952,980
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets See Stmt 13			1,689,855		1,689,855
23 Total of lines 15 through 22	72,888,196	63,455,653	26,654,165.	17,929,382	180,927,396
24 Line 23 minus line 17	72,888,196	63,455,653	26,654,165	17,929,382	180,927,396
25 Enter 1% of line 23	728,882	634,557.	266,542	179,294	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 3,618,548
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts				26b 114540750.
	c Total support for section 509(a)(1) test Enter line 24, column (e)				26c 180927396.
	d Add Amounts from column (e) for lines	18 10,952,980.	19	26b 114,540,750	26d 127183585
		22 1,689,855.			26e 53,743,811
	e Public support (line 26c minus line 26d total)				26f 29 70 %
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				
27 Organizations described on line 12	N/A				
	a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person' Do not file this list with your return Enter the sum of such amounts for each year				
	(2001)	(2000)	(1999)	(1998)	
	b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year				
	(2001)	(2000)	(1999)	(1998)	
	c Add Amounts from column (e) for lines	15	16		27c
	17	20	21		27d
	d Add Line 27a total and line 27b total				27e
	e Public support (line 27c total minus line 27d total)				27f
	f Total support for section 509(a)(2) test Enter amount from line 23, column (e)				27g %
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27h %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

Part V. Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975 2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group Check **b** if you checked 'a' and 'limited control' provisions apply

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)		
38 Total lobbying expenditures (add lines 36 and 37)	0	0
39 Other exempt purpose expenditures		
40 Total exempt purpose expenditures (add lines 38 and 39)	0.	0.
41 Lobbying nontaxable amount Enter the amount from the following table --		
If the amount on line 40 is --		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is --		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)		
43 Subtract line 42 from line 36 Enter 0 if line 42 is more than line 36	0.	0
44 Subtract line 41 from line 38 Enter 0 if line 41 is more than line 38	0.	0
Caution If there is an amount on either line 43 or line 44, you must file Form 4720		

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount		1,000,000.			1,000,000
46 Lobbying ceiling amount (150% of line 45(e))					1,500,000
47 Total lobbying expenditures		675,000			675,000
48 Grassroots non taxable amount		250,000.			250,000
49 Grassroots ceiling amount (150% of line 48(e))					375,000.
50 Grassroots lobbying expenditures					0

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI A) (See instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
51 a (i)	X	
a (ii)		X
b (i)		X
b (ii)		X
b (iii)		X
b (iv)	X	
b (v)		X
b (vi)	X	
c	X	

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
51a1	29,810,179	Sierra Club	See statement 14
51b	2,400,000	Sierra Club	Contract fund raising
51b	76,403	Sierra Club	Employee benefits under common plan

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
Sierra Club	501 (c) (4)	The Sierra Club Foundation supports the charitable activities of the Sierra Club through grants on a project by project basis

Client 12860

The Sierra Club Foundation

94-6069890

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 219,583,138.
Cost or Other Basis. 217,616,175

Total Gain (Loss) Publicly Traded Securities \$ 1,966,963

Total Net Gain (Loss) From Noninventory Sales \$ 1,966,963

Statement 2
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Change in value of split interest inv \$ -306,058
Unrealized gain (loss) on investments -1,646,517
Total \$ -1,952,575

Statement 3
Form 990, Part II, Line 22
Grants and Allocations

Cash Grants and Allocations

Donee's Name: Sierra Club and Chapters
Donee's Address: 85 Second St , 2nd Floor
San Francisco, CA 94105
Amount Given: \$ 29,810,179.

Donee's Name: Various grants
Donee's Address: c/o 85 Second St , 2nd Fl
San Francisco, CA 94105
Amount Given: 9,388,164

Total Grants and Allocations \$ 39,198,343

Statement 4
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Bank charges	6,110		6,110.	
Board of Trustee meetings	10,027.		10,027.	
Consultants	9,065		9,065	
Insurance	22,170		22,170	
Other	119,647.	73,665	16,849.	29,133

Client 12860

The Sierra Club Foundation

94-6069890

Statement 4 (continued)
Form 990, Part II, Line 43
Other Expenses

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management & General</u>	(D) <u>Fundraising</u>
Regulatory compliance fees	10,230		10,230.	
Staff training	8,378		8,378	
Temporary help	747		747.	
Total	<u>\$ 186,374</u>	<u>\$ 73,665.</u>	<u>\$ 83,576.</u>	<u>\$ 29,133.</u>

Statement 5
Form 990, Part III
Organization's Primary Exempt Purpose

The Sierra Club Foundation (The Foundation) endeavors to preserve and enhance the natural environment through support of the Sierra Club and other conservation organizations and individuals. Grants are provided to these organizations and individuals to support charitable, education, scientific, literary and legal endeavors. The Foundation provides limited support for lobbying activities as permitted by Section 501(h) of the Internal Revenue Code. No support is provided for political activities.

Statement 6
Form 990, Part IV, Line 54
Investments - Securities

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Amount</u>
Corporate bonds	Market Value	\$ 9,675,093.
	Total	<u>\$ 9,675,093</u>

<u>Other Securities</u>	<u>Valuation Method</u>	<u>Amount</u>
Mutual funds	Market Value	33,997,825
Equity securities	Market Value	90,223.
U.S. Government and Agency	Market Value	45,417,069
	Total	<u>\$ 79,505,117</u>

Total Investments - Securities \$ 89,180,210

Client 12860

The Sierra Club Foundation

94-6069890

Statement 7
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Limited partnerships & real estate	Market Value	\$ 752,901.
	Total	<u>\$ 752,901.</u>

Statement 8
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum Deprec.	Book Value
Machinery and Equipment	\$ 127,898.	\$ 0.	\$ 127,898.
Improvements	224,420	0	224,420
Land	374,900.		374,900.
Miscellaneous	0	153,171.	-153,171
	Total	<u>\$ 153,171</u>	<u>\$ 574,047</u>

Statement 9
Form 990, Part IV, Line 58
Other Assets

Other	\$ 462,624.
Remainder interest in trusts	8,948,160
	Total <u>\$ 9,410,784.</u>

Statement 10
Form 990, Part IV, Line 65
Other Liabilities

Liability split-interest agreements	\$ 6,335,817.
	Total <u>\$ 6,335,817</u>

Statement 11
Form 990, Part IV-A, Line d(2)
Other Amounts

Change in value of split interest inv	\$ (306,058)
	Total <u>\$ (306,058)</u>

The Sierra Club Foundation

Statement 11A

Form 990, Part V List of Officers, Directors, Trustees and Key Employees

			Compensation		
				Employee Benefit Plan	
					Expense Acct
Manlyn Brown Secretary	157 Goya Road Portola Valley, CA 94028-7306	Trustee	0	0	0
Richard Cellanus	621 Park Avenue Prescott, AZ 86303-4044	Trustee	0	0	0
Harry Dalton	131 E Main Street, Suite 400 Rock Hill, SC 29730	Trustee	0	0	0
Jennifer Ferrenstein Sierra Club President	326 East Spruce Missoula MT 59802	Trustee			
Robert B Flint, Jr Treasurer	185 Bear Gulch Road Woodside, CA 94062	Trustee	0	0	0
Marlene Fluharty	28115 Meadowbrook Rd Novi, MI 48377-3128	Trustee	0	0	0
Joe Fontaine	P O Box 307 (for regular mail) Tehachapi, CA 93581-0307	Trustee	0	0	0
Charles (Chuck) E Frank Vice President	105 Revere Drive, Suite 6 Northbrook, IL 60062	Trustee	0	0	0
Roger W Hershey	King Hershey 2345 Grand Blvd, Suite 2100 Kansas City, MO 64108-2619	Trustee	0	0	0
Adona Lim Stanford Board Fellow	276 Castro St , #2 San Francisco, CA 94114	Board Fellow	0	0	0
Michael Loeb	91 Central Park West New York, NY 10023 OR 147 Carmel Hill Road Bethlehem, CT 06751	Trustee	0	0	0
Michael McCloskey	2829 Southwest Sunset Boulevard Portland OR 97201-1224	Trustee	0	0	0
Chuck McGrady	P O Box 400 Tuxedo NC 28784-0400	Trustee	0	0	0
Albert Meyerhoff	355 South Grand Avenue Suite 4170 Los Angeles, CA 90071-3102	Trustee	0	0	0
William (Bill) Newsom	3717 Buchanan Street Second Floor San Francisco, CA 94107-1329	Trustee	0	0	0

The Sierra Club Foundation

Bob Perkowitz	3817 Bonwood Drive Charlotte NC 28211-1752	Trustee	0	0	0
J Rand Sparling	910 North Lake Shore Dr Apt 2520 Chicago, IL 60611-1533	Trustee	0	0	0
Guy Saperstein Nat Advisory Council Chair	52 Glen Alpine Road Charlotte, NC 28211	Trustee	0	0	0
J Fred Weintz, Jr Advisory Chair	BCRS Associates, LLC 67 Wall Street, 8th Floor New York, NY 10005	Advisory Chair	0	0	0

The Foundation may on occasion, reimburse the expenses of a director incurred in attending a board meeting
Such reimbursement is on a case-by-case basis and does not exceed the reasonable costs of attendance

The Sierra Club Foundation

94-6069890

Statement 11B**Form 990, Part VI, Question 90a****States in which a copy of this return is filed**

Alabama	Attorney General
Arizona	Secretary of State
California	Attorney General Secretary of State
Connecticut	Dept of Consumer Protection
Florida	Dept of Agnculture & Consumer Services Department of Revenue
Georgia	Secretary of State
Illinois	Attorney General
Kentucky	Secretary of State
Maine	Dept of Professional & Financial Reg
Maryland	State Executive Dept
Massachusetts	Attorney General
Michigan	Attorney General
Minnesota	Attorney General
Mississippi	Secretary of State
New Hampshire	Attorney General
New Jersey	State Dept of Law & Public Safety
New Mexico	Attorney General Division of Corporations
North Carolina	Dept of State
North Dakota	Secretary of State
Ohio	Attorney General
Oklahoma	Secretary of State
Oregon	Dept of Justice
Pennsylvania	Dept of State
Rhode Island	Dept of Business Regulation Secretary of State, Corporations Division
South Carolina	Attorney General
Tennessee	Secretary of State
Utah	Dept of Commerce, Div of Consumer Protection
Virginia	Dept of Agnculture & Consumer Services
Washington	Secretary of State
West Virginia	Secretary of State
Wisconsin	Dept of Regulation & Licensing

Statement 12
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc

Payments of compensation which are reasonable and not excessive have been made by The Sierra Club Foundation to various officers and employees for services pursuant to The Sierra Club Foundation's exempt function. Other than these payments, The Sierra Club Foundation knows of no significant transactions between it and other persons described above nor any organization or corporation with which such person is affiliated.

Statement 13
Schedule A, Part IV-A, Line 22
Other Income

Description	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
Other income	\$ 0.	\$ 0	\$ 6,829.	\$ 0	\$ 6,829.
Settlement	0	0	1683026	0	1,683,026.
Total	<u>\$ 0.</u>	<u>\$ 0</u>	<u>\$ 1689855</u>	<u>\$ 0</u>	<u>\$ 1,689,855</u>

The Sierra Club Foundation

94-6069890

Statement 14**Form 990, Schedule A, Part VII, Line 51ai****Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

The Foundation made numerous grants during the year to various organizations with the stipulation that the funds be used for specific exempt purpose activities. In all cases where the grantee organization was not an IRC §501(c)(3) organization, the Foundation has exercised expenditure responsibility in the manner described in regulations §53.4945-5(b) with respect to each grant, to ensure that all funds are used in furtherance of the Foundation's exempt purposes in accordance with the operational test described in regulations §501(c)(3)-1(c). The majority of the grants were made to §501(c)(4) organizations. Due to the large volume of grants, it is impractical to enclose all details of each grant. Further details will be provided upon request.

The Sierra Club Foundation

94-6069890

Statement 15
Form 990, Schedule A, Part IV-A
Support Schedule

As a result of several large gifts in the years 1998-2001, taxpayer's public support percentage for 2002 as calculated under IRC 509(a)(1) 170(b)(1)(A)(vi) is 29.7%. For the reasons outlined below, taxpayer continues to qualify as a public charity pursuant to the 10%-facts-and-circumstances test described in Treasury Regulations 1.170A-9(e)(3)(i). It is anticipated that in future years, taxpayer's public support percentage will again exceed 33-1/3%.

The percentage of support normally received by the taxpayer from governmental units, contributions made directly or indirectly by the general public, or from a combination of these sources is substantial within the meaning of the regulations.

Attraction of public support The taxpayer maintains a continuous and bona fide program for solicitation of funds from the general public. The average number of contributors to the taxpayer on an annual basis exceeds 4,000.

Percentage of public support The percentage of public support received by taxpayer has historically been substantially greater than 33-1/3%. Although the percentage has fallen below that threshold for 2002, it is anticipated that the percentage will exceed 33-1/3% in the future.

Sources of support The taxpayer has been, and continues to be, a national organization enjoying broad-based support throughout the United States.

Representative governing body The taxpayer has a governing body which represents the broad interest of the public, rather than the personal or private interests of a limited number of donors.