

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2001

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2001 calendar year, OR tax year beginning _____, 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.

C Name of organization: **BETTER WORLD FUND, INC**

Number and street (or P O box if mail is not delivered to street address): **1301 CONNECTICUT AVENUE N W**

Room/suite: **700**

City or town: **WASHINGTON** State or country: **DC** ZIP + 4: **20036**

D Employer identification number: **58-2366765**

E Telephone number: **(202) 887-9040**

F Accounting method: Cash Accrual
 Other (specify) _____

G Web site: **WWW.BETTERWORLDFUND.ORG**

H and **I** are not applicable to section 527 organizations

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

H(b) If "Yes," enter number of affiliates: **N/A**

H(c) Are all affiliates included? Yes No
 (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

I Enter 4-digit GEN: **N/A**

J Organization type (check only one): 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: **7,501,511**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)

| | | | | | |
|---------------------------------|--|--|--|------------|---|
| R e v e n u e | 1 | Contributions, gifts, grants, and similar amounts received | | | |
| | a | Direct public support | 1a | 7,390,646 | |
| | b | Indirect public support | 1b | | |
| | c | Government contributions (grants) | 1c | | |
| | d | Total (add lines 1a through 1c) (cash \$ 1,797,833 noncash \$ 5,592,813) | 1d | 7,390,646 | |
| | 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 | | |
| | 5 | Dividends and interest from securities | 5 | 110,865 | |
| | 6a | Gross rents | 6a | | |
| | b | Less rental expenses | 6b | | |
| | c | Net rental income or (loss) (subtract line 6b from line 6a) | 6c | 0 | |
| 7 | Other investment income (describe _____) | 7 | | | |
| 8a | Gross amount from sales of assets other than inventory | (A) Securities | 8a | | |
| | | (B) Other | 8b | | |
| | | | 8c | 0 | 0 |
| | | d | Net gain or (loss) (combine line 8c, columns (A) and (B)) | 8d | 0 |
| 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 | 0 |
| 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 | 0 |
| 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 | 7,501,511 | | |
| Ex- pen- ses | 13 | Program services (from line 44, column (B)) | 13 | 15,325,511 | |
| | 14 | Management and general (from line 44, column (C)) | 14 | 222,731 | |
| | 15 | Fundraising (from line 44, column (D)) | 15 | 141,523 | |
| | 16 | Payments to affiliates (attach schedule) | 16 | | |
| | 17 | Total expenses (add lines 16 and 44, column (A)) | 17 | 15,689,765 | |
| Net Assets | 18 | Excess or (deficit) for the year (subtract line 17 from line 12) | 18 | -8,188,254 | |
| | 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | -238,400 | |
| | 20 | Other changes in net assets or fund balances (attach explanation) | 20 | | |
| | 21 | Net assets or fund balances at end of year (combine lines 18, 19, and 20) | 21 | -8,426,654 | |

FILMED DEC 16 2002

68

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. (See Specific instructions on page 21.)

| 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 (attach schedule) (cash \$ 15,013,688 noncash \$ 0) | 15,013,688 | 15,013,688 | | |
| 23 | Specific assistance to individuals (attach schedule) | 0 | 0 | | |
| 24 | Benefits paid to or for members (attach schedule) | 0 | 0 | | |
| 25 | Compensation of officers, directors, etc | 62,429 | 13,989 | 34,452 | 13,988 |
| 26 | Other salaries and wages | 215,912 | 114,358 | 49,376 | 52,178 |
| 27 | Pension plan contributions | 13,361 | 6,773 | 3,498 | 3,090 |
| 28 | Other employee benefits | 14,150 | 5,808 | 5,133 | 3,209 |
| 29 | Payroll taxes | 17,066 | 7,821 | 5,338 | 3,907 |
| 30 | Professional fundraising fees | 0 | 0 | 0 | 0 |
| 31 | Accounting fees | 43,815 | 0 | 43,815 | 0 |
| 32 | Legal fees | 38,448 | 0 | 38,448 | 0 |
| 33 | Supplies | 0 | 0 | 0 | 0 |
| 34 | Telephone | 7,953 | 3,780 | 2,245 | 1,928 |
| 35 | Postage and shipping | 3,129 | 1,428 | 973 | 728 |
| 36 | Occupancy | 62,925 | 36,322 | 14,313 | 12,290 |
| 37 | Equipment rental and maintenance | 0 | 0 | 0 | 0 |
| 38 | Printing and publications | 18,870 | 6,294 | 1,140 | 11,436 |
| 39 | Travel | 67,053 | 42,778 | 9,122 | 15,153 |
| 40 | Conferences, conventions, and meetings | 0 | 0 | 0 | 0 |
| 41 | Interest | 0 | 0 | 0 | 0 |
| 42 | Depreciation, depletion, etc (attach schedule) | 14,578 | 6,606 | 4,289 | 3,683 |
| 43 | Other expenses not covered above (itemize) a | 0 | 0 | 0 | 0 |
| b | OTHER PROFESSIONAL SERVICES | 300 | 195 | 45 | 60 |
| c | NETWORK AND WEBSITE | 63,039 | 47,613 | 2,479 | 12,947 |
| d | INSURANCE | 3,200 | 1,521 | 903 | 776 |
| e | OTHER OPERATING | 25,368 | 12,056 | 7,162 | 6,150 |
| f | OTHER PROGRAM | 4,481 | 4,481 | 0 | 0 |
| 44 | Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15 | 15,689,765 | 15,325,511 | 222,731 | 141,523 |

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

(See Specific Instructions on page 24.)

| What is the organization's primary exempt purpose? | Program Service Expenses |
|--|---|
| EDUCATING THE PUBLIC ON THE UNITED NATIONS AND ITS WORK ON CHARITABLE CAUSES | (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others.) |
| a UNITED NATIONS PUBLIC AWARENESS INITIATIVE--INFORMS THE GENERAL PUBLIC, GOVERNMENT OFFICIALS, CIVIL SOCIETY, AND THE CORPORATE SECTOR ABOUT THE WORK OF THE UN THROUGH A WIDE VARIETY OF APPROACHES AND MEDIA (Grants and allocations \$ 13,952,188) | 14,242,280 |
| b UNITED NATIONS INSTITUTIONAL STRENGTHENING INITIATIVE--BUILDS THE CAPACITY OF THE UN AND ITS KEY PARTNERS TO ACCOMPLISH ADMINISTRATIVE, REFORM, AND OPERATIONAL ACTIVITIES, AS WELL AS ASSISTS THE UN AND ITS MAJOR ALLIES IN SPECIAL PROJECTS (Grants and allocations \$ 334,157) | 340,997 |
| c UNITED NATIONS PROGRAM-RELATED INITIATIVES--COMPLEMENTS PROGRAMMATIC WORK BEING ACCOMPLISHED BY OTHER ORGANIZATIONS SUPPORTING THE WORKS OF THE UNITED NATIONS (Grants and allocations \$ 727,343) | 742,234 |
| d | |
| e Other program services (attach schedule) (Grants and allocations \$) | |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services) | 15,325,511 |

Part IV Balance Sheets

(See Specific Instructions on page 24)

| Note | Where required, attached schedules and amounts within the description column should be for end-of-year amounts only | (A) Beginning of year | (B) End of year |
|---|--|--------------------------|--------------------|
| Assets | | | |
| 45 | Cash - non-interest-bearing | | 45 |
| 46 | Savings and temporary cash investments | 2,286,703 | 46 309,758 |
| 47a | Accounts receivable | 47a 4,965 | |
| b | Less allowance for doubtful accounts | | 47c 4,965 |
| 48a | Pledges receivable | | |
| b | Less allowance for doubtful accounts | | 48c 0 |
| 49 | Grants receivable | | 49 |
| 50 | Receivables from officers, directors, trustees, and key employees (attach schedule) | | 50 |
| 51a | Other notes and loans receivable (attach schedule) | | |
| b | Less allowance for doubtful accounts | | 51c 0 |
| 52 | Inventories for sale or use | | 52 |
| 53 | Prepaid expenses and deferred charges | | 53 |
| 54 | Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54 |
| 55a | Investments - land, buildings, and equipment basis | | |
| b | Less accumulated depreciation (attach schedule) | | 55c 0 |
| 56 | Investments - other (attach schedule) | 0 | 56 0 |
| 57a | Land, buildings, and equipment basis SEE STATEMENT ATTACHED | 57a 119,373 | |
| b | Less accumulated depreciation (attach schedule) | 57b 86,560 | 57c 32,813 |
| 58 | Other assets (describe _____) | 0 | 58 0 |
| 59 | Total assets (add lines 45 through 58) (must equal line 74) | 2,333,280 | 59 347,536 |
| Liabilities | | | |
| 60 | Accounts payable and accrued expenses | 44,516 | 60 69,671 |
| 61 | Grants payable | 1,099,800 | 61 5,894,037 |
| 62 | Deferred revenue | | 62 |
| 63 | Loans from officers, directors, trustees, and key employees (attach schedule) | | 63 |
| 64a | Tax-exempt bond liabilities (attach schedule) | | 64a |
| b | Mortgages and other notes payable (attach schedule) | | 64b |
| 65 | Other liabilities (describe <u>DUE TO AFFILIATE</u>) | 1,427,364 | 65 2,810,482 |
| 66 | Total liabilities (add lines 60 through 65) | 2,571,680 | 66 8,774,190 |
| 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 | Unrestricted | -238,400 | 67 -8,426,654 |
| 68 | Temporarily restricted | | 68 |
| 69 | Permanently restricted | | 69 |
| Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74 | | | |
| 70 | Capital stock, trust principal, or current funds | | 70 |
| 71 | Paid-in or capital surplus, or land, building, and equipment fund | | 71 |
| 72 | Retained earnings, endowment, accumulated income, or other funds | | 72 |
| 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) | -238,400 | 73 -8,426,654 |
| 74 | Total liabilities and net assets/fund balances (add lines 66 and 73) | 2,333,280 | 74 347,536 |

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)

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 | 7,501,511 | a | Total expenses and losses per audited financial statements | a | 15,689,765 |
| b | Amounts included on line a but not on line 12, Form 990 | | | b | Amounts included on line a but not on line 17, Form 990 | | |
| (1) | Net unrealized gains on investments \$ | | | (1) | Donated services and use of facilities \$ | | |
| (2) | Donated services and use of facilities \$ | | | (2) | Prior year adjustments reported on line 20, Form 990 \$ | | |
| (3) | Recoveries of prior year grants \$ | | | (3) | Losses reported on line 20, Form 990 \$ | | |
| (4) | Other (specify) | | | (4) | Other (specify) | | |
| | \$ | | | | \$ | | |
| | Add amounts on lines (1) thru (4) | b | 0 | | Add amounts on lines (1) thru (4) | b | 0 |
| c | Line a minus line b | c | 7,501,511 | c | Line a minus line b | c | 15,689,765 |
| d | Amounts included on line 12, Form 990 but not on line a | | | d | Amounts included on line 17, Form 990 but not on line a | | |
| (1) | Investment expenses not included on line 6b, Form 990 \$ | | | (1) | Investment expenses not included on line 6b, Form 990 \$ | | |
| (2) | Other (specify) | | | (2) | Other (specify) | | |
| | \$ | | | | \$ | | |
| | Add amounts on lines (1) and (2) | d | 0 | | Add amounts on lines (1) and (2) | d | 0 |
| e | Total revenue per line 12, Form 990 (line c plus line d) | e | 7,501,511 | e | Total expenses per line 17, Form 990 (line c plus line d) | e | 15,689,765 |

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

(List each one even if not compensated, see Specific Instructions on page 26)

| (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 & deferred compensation | (E) Expense account and other allowances |
|---|--|---|---|--|
| R. E. TURNER | CHAIRMAN, P/T | | | |
| TIMOTHY E. WIRTH | PRESIDENT, F/T | 27,977 | 1,102 | 0 |
| RUTH CORREA LEITE CARDOSO | DIRECTOR, P/T | 0 | 0 | 0 |
| LIANG DAN | DIRECTOR, P/T | 0 | 0 | 0 |
| GRACA MACHEL | DIRECTOR, P/T | 0 | 0 | 0 |
| HISASHI OWADA | DIRECTOR, P/T | 0 | 0 | 0 |
| EMMA ROTHSCHILD | DIRECTOR, P/T | 0 | 0 | 0 |
| NAFIS SADIK | DIRECTOR, P/T | 0 | 0 | 0 |
| ANDREW YOUNG | DIRECTOR, P/T | 0 | 0 | 0 |
| MUHAMMED YUNUS | DIRECTOR, P/T | 0 | 0 | 0 |
| J. RUTHERFORD SEYDEL | DIRECTOR, P/T | 0 | 0 | 0 |
| CHARLES C. CURTIS | EXEC VP, F/T | 1,618 | 149 | 0 |
| JANE HOLL LUTE | EXEC VP, F/T | 16,927 | 1,458 | 0 |
| ELIZABETH C. REVEAL | TREASURER, F/T | 10,780 | 986 | 0 |
| DAVID CARTER | TREASURER, F/T | 5,127 | 463 | 0 |
| P/T=PART-TIME, AS NEEDED F/T=FULL-TIME EMPLOYEE | | | | |
| ALL OFFICERS, DIRECTORS, & KEY EMPLOYEES CAN BE REACHED C/O BETTER WORLD FUND | | | | |

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 Specific Instructions on page 27 SEE ATTACHED STATEMENT

Part VI Other information

(See Specific Instructions on page 27)

Yes or No

| | | | |
|-----|--|-----|-----|
| 76 | Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity | 76 | No |
| 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 | 77 | No |
| 78a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | 78a | No |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | 78b | N/A |
| 79 | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | No |
| 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? | 80a | Yes |
| b | If "Yes," enter the name of the organization <u>UNITED NATIONS FOUNDATION, INC</u> and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt | | |
| 81a | Enter direct or indirect political expenditures See line 81 instructions | 81a | 0 |
| b | Did the organization file Form 1120-POL for this year? | 81b | N/A |
| 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? | 82a | No |
| b | 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 | N/A |
| 83a | Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | Yes |
| b | Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | 83b | Yes |
| 84a | Did the organization solicit any contributions or gifts that were not tax deductible? | 84a | No |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 84b | N/A |
| 85 | 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? | 85a | N/A |
| 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 | 85b | N/A |
| c | Dues, assessments, and similar amounts from members | 85c | N/A |
| d | Section 162(e) lobbying and political expenditures | 85d | N/A |
| e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices | 85e | N/A |
| f | Taxable amount of lobbying and political expenditures (line 85d less 85e) | 85f | N/A |
| g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? | 85g | N/A |
| 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 |
| 86 | 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 | 86a | N/A |
| b | Gross receipts, included on line 12, for public use of club facilities | 86b | N/A |
| 87 | 501(c)(12) orgs Enter a Gross income from members or shareholders | 87a | N/A |
| 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 | 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 | 88 | No |
| 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> | | |
| b | 501(c)(3) and 501(c)(4) orgs 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 | No |
| c | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 | | N/A |
| d | Enter: Amount of tax on line 89c, above, reimbursed by the organization | | N/A |
| 90a | List the states with which a copy of this return is filed <u>DISTRICT OF COLUMBIA, NEW YORK</u> | | |
| b | Number of employees employed in the pay period that includes March 12, 2001 (See instructions) | 90b | 4 |
| 91 | The books are in care of <u>DAVID CARTER</u> Telephone no <u>(202) 887-9040</u> Located at <u>1301 CONNECTICUT AVENUE, N W, SUITE 700, WASHINGTON, DC</u> ZIP + 4 <u>20036</u> | | |
| 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 | 92 | N/A |

Part VII Analysis of Income-Producing Activities

(See Specific Instructions on page 32)

| Note: Enter gross amounts unless otherwise indicated | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) |
|--|---------------------------|---------------|--------------------------------------|---------------|-----------------------------------|
| | (A) Business code | (B) Amount | (C) Exclusion code | (D) Amount | Related or exempt function income |
| 93 Program service revenue | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | | | |
| 96 Dividends and interest from securities | | | 14 | 110,865 | |
| 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 personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | | | |
| 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 cols (B), (D), and (E)) | | 0 | | 110,865 | 0 |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 110,865 |

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 N/A (See Specific Instructions on page 32)

| 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) |
|---------|--|
| | |
| | |
| | |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities N/A (See Specific Instructions on page 33)

| (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 |
|--|---|-----------------------------|---------------------|---------------------------|
| | % | | | |
| | % | | | |
| | % | | | |
| | % | | | |

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (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)

I, [Signature], 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, the information reported hereon is true and correct. I am a preparer (other than officer) is based on all information of which preparer has any knowledge.

Date 12 Nov 02
OFFICER

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No. 1545-0047

2001

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
BETTER WORLD FUND, INC

Employer identification number
58-2366765

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

(See page 1 of the 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 & deferred compensation | (e) Expense account and other allowances |
|--|--|------------------|---|--|
| PHYLLIS CUTTINO C/O BETTER WORLD FUND 1301 CONNECTICUT AVENUE, N W WASHINGTON, DC 20036 | VP PUB AFFRS-F/T | 77,801 | 8,919 | 0 |
| SUSAN MYERS C/O BETTER WORLD FUND 1301 CONNECTICUT AVENUE, N W WASHINGTON, DC 20036 | LEG DIR-F/T | 61,083 | 6,900 | 0 |
| JONATHAN RICH C/O BETTER WORLD FUND 1301 CONNECTICUT AVENUE, N W WASHINGTON, DC 20036 | FIELD RES DIR-F/T | 61,250 | 3,284 | 0 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over \$50,000 | 0 | | | |

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

(See page 2 of the 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 |
|---|---------------------|------------------|
| QORVIS COMMUNICATIONS 8484 WESTPARK DRIVE SUITE 800 MCLEAN, VA 22102 | CONSULTING | 1,022,000 |
| CHLOPAK, LEONARD, SCHECHTER & ASSOCIATES 1850 M STREET, N W SUITE 550 WASHINGTON, DC 20036 | CONSULTING | 520,372 |
| BARBOUR, GRIFFITH, & ROGERS, INC 335 NORTH MAIN STREET, SUITE E P O BOX 860 YAZOO CITY, MS 39194 | CONSULTING | 277,233 |
| PUBLIC OPINION STRATEGIES, LLC 277 SOUTH WASHINGTON STREET SUITE 320 ALEXANDRIA, VA 22314 | CONSULTING | 138,085 |
| RICK IBER 2010 EAST WINDSOR DRIVE UNIT B MILWAUKEE, WI 53202 | CONSULTING | 84,178 |
| Total number of others receiving over \$50,000 for professional services | 2 | |

Part III Statements About Activities (See page 2 of the 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>202,328</u> (Must equal amounts on line 38, Part VI-A, or line I 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. | 1 | 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) | | |
| a Sale, exchange, or leasing of property? | 2a | X |
| b Lending of money or other extension of credit? | 2b | X |
| c Furnishing of goods, services, or facilities? | 2c | X |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990 | 2d | X |
| e Transfer of any part of its income or assets? | 2e | X |
| 3 Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below) | 3 | X |
| 4 Do you have a section 403(b) annuity plan for your employees? | 4 | 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 pages 3 through 6 of the 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)
 - 11a 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.)
 - 11b 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 page 5 of the 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 page 6 of the 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) 2000 | (b) 1999 | (c) 1998 | (d) 1997 | (e) Total |
|--|---|--------------|--------------|--------------|-----------------------|
| 15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.) | 5,950,349 | 11,919,130 | 4,854,081 | | 22,723,560 |
| 16 Membership fees received | | | | | 0 |
| 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 | | | | | 0 |
| 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 | 184,343 | 339,576 | 123,575 | | 647,494 |
| 19 Net income from unrelated business activities not included in line 18 | | | | | 0 |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | 0 |
| 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. | | 12,221 | 5,886 | | 18,107 |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. | | | | | 0 |
| 23 Total of lines 15 through 22 | 6,134,692 | 12,270,927 | 4,983,542 | 0 | 23,389,161 |
| 24 Line 23 minus line 17 | 6,134,692 | 12,270,927 | 4,983,542 | 0 | 23,389,161 |
| 25 Enter 1% of line 23 | 61,347 | 122,709 | 49,835 | 0 | |
| 26 Organizations described on lines 10 or 11 | a Enter 2% of amount in column (e), line 24 | | | | 26a 467,783 |
| 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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts. | | | | | 26b 20,367,602 |
| c Total support for section 509(a)(1) test. Enter line 24, column (e). | | | | | 26c 23,389,161 |
| d Add: Amounts from column (e) for lines 18 <u>647,494</u> 19 <u>0</u> | | | | | 26d 21,015,096 |
| 22 <u>0</u> 26b <u>20,367,602</u> | | | | | |
| e Public support (line 26c minus line 26d total) | | | | | 26e 2,374,065 |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | 26f 10.15% |
| 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. | | | | |
| | (2000) _____ | (1999) _____ | (1998) _____ | (1997) _____ | |
| 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. | (2000) _____ | (1999) _____ | (1998) _____ | (1997) _____ | |
| c Add: Amounts from column (e) for lines 15 <u>0</u> 16 <u>0</u> | | | | | 27c 0 |
| 17 <u>0</u> 20 <u>0</u> 21 <u>0</u> | | | | | |
| d Add: Line 27a total <u>0</u> and line 27b total <u>0</u> | | | | | 27d 0 |
| e Public support (line 27c total minus line 27d total) | | | | | 27e 0 |
| f Total support for section 509(a)(2) test. Enter amount from line 23, column (e). | | | | | 27f 0 |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) | | | | | 27g 0.00% |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) | | | | | 27h 0.00% |
| 28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, 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. N/A | | | | | |

Part V Private School Questionnaire N/A (See page 7 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

| | 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) | | |
| 34a 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 page 9 of the 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) | 36 | 62,482 |
| 37 | Total lobbying expenditures to influence a legislative body (direct lobbying) | 37 | 259,271 |
| 38 | Total lobbying expenditures (add lines 36 and 37) | 38 0 | 321,753 |
| 39 | Other exempt purpose expenditures | 39 | 113,970,739 |
| 40 | Total exempt purpose expenditures (add lines 38 and 39) | 40 0 | 114,292,492 |
| 41 | Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - | | |
| | Not over \$500,000 20% of the amount on line 40 | | |
| | Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 | | |
| | Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 | 41 0 | 1,000,000 |
| | Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 | | |
| | Over \$17,000,000 \$1,000,000 | | |
| 42 | Grassroots nontaxable amount (enter 25% of line 41) | 42 0 | 250,000 |
| 43 | Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36 | 43 0 | 0 |
| 44 | Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38 | 44 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 on page 11 of the instructions)

| Calendar year (or fiscal year beginning in) | Lobbying Expenditures During 4-Year Averaging Period | | | | |
|---|--|-------------|-------------|-------------|--------------|
| | (a) 2001 | (b) 2000 | (c) 1999 | (d) 1998 | (e) Total |
| 45 | 1,000,000 | 1,000,000 | 1,000,000 | 297,561 | 3,297,561 |
| 46 | | | | | 4,946,342 |
| 47 | 321,753 | 447,188 | 790,332 | 57,403 | 1,616,676 |
| 48 | 250,000 | 250,000 | 250,000 | 74,390 | 824,390 |
| 49 | | | | | 1,236,585 |
| 50 | 62,482 | 139,846 | 236,099 | 0 | 438,427 |

Part VI-B Lobbying Activity by Nonelecting Public Charities N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

| 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 | Yes | No | Amount |
|--|-----|----|--------|
| | | | |
| 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) | | | 0 |

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

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

BETTER WORLD FUND INC

Employer identification number

58-2366765

Organization type (check one)

Filers of.

Section

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General rule or a Special rule (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule - see instructions)

General Rule -

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules -

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

| | |
|--|--|
| Name of organization BETTER WORLD FUND, INC | Employer identification number 58-2366765 |
|--|--|

Part I Contributors (See Specific Instructions) SEE STATEMENT ATTACHED

| (a) No | (b) Name, address and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|-----------|----------------------------------|--------------------------------|--|
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution) |

| | |
|---|---|
| Name of organization BETTER WORLD FUND, INC | Employer identification number 58-2366765 |
|---|---|

Part II Noncash Property (See Specific Instructions) SEE STATEMENT ATTACHED

| (a) No from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|--------------------------|--|--|----------------------|
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |
| _____ | _____ _____ _____ | \$ _____ | _____/_____/_____ |

| | |
|---|---|
| Name of organization BETTER WORLD FUND, INC | Employer identification number 58-2366765 |
|---|---|

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. N/A

(Complete columns (a) through (e) and the following line entry)

For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once-see instructions) \$ _____

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

BETTER WORLD FUND, INC
 TAXABLE YEAR ENDED DECEMBER 31, 2001
 TIN 58-2366765
 FORM 990, SCHEDULE B, SCHEDULE OF CONTRIBUTORS

| <u>Donor Name</u> | <u>Cash</u> | <u>Non-Cash</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|
| | \$1,387,717 | \$0 | \$1,387,717 |
| | \$200,000 | \$0 | \$200,000 |
| | \$150,000 | \$0 | \$150,000 |
| | \$40,000 | \$0 | \$40,000 |
| | \$10,000 | \$0 | \$10,000 |
| | \$10,000 | \$0 | \$10,000 |
| | <u>\$0</u> | <u>\$5,592,813</u> | <u>\$5,592,813</u> |
| | \$1,797,717 | \$5,592,813 | \$7,390,531 |
| Aggregate Contributions < \$5,000 | <u>\$116</u> | <u>\$0</u> | <u>\$116</u> |
| Total Contributions per Form 990, Line 1 | \$1,797,833 | \$5,592,813 | \$7,390,646 |

ALL DONORS MAY BE CONTACTED CARE OF THE BETTER WORLD FUND, INC

ALL NON-CASH GIFTS CONSIST OF TIME-WARNER, INC STOCK GIVEN
 AT FAIR MARKET VALUE ON THE FOLLOWING DATES

5/24/2001 \$5,592,813

THIS SCHEDULE IS NOT OPEN TO PUBLIC INSPECTION

Form **8868**

(December 2000)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)

Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns
Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

| | | |
|---|---|---|
| Type or print File by the due date for filing your return See instructions | Name of Exempt Organization BETTER WORLD FUND, INC. | Employer identification number 58-2366765 |
| | Number, street, and room or suite no If a PO box, see instructions 1301 CONNECTICUT AVENUE, N.W., SUITE 700 | |
| | City, town or post office, state, and ZIP code For a foreign address, see instructions WASHINGTON, DC 20036 | |

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• If the organization does **not** have an office or place of business in the United States, check this box

• If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until _____, 20____, to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ calendar year 20 01 or

▶ tax year beginning _____, 20____, and ending _____, 20____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ _____

Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements and to the best of my knowledge and belief, it is true correct, and complete and that I am authorized to prepare this form

Signature ▶  Title ▶ **TREASURER AND CFO** Date ▶ **2 May 02**

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box



Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time-Must File Original and One Copy.

| | | |
|---|---|--|
| Type or print File by the extended due date for filing the return See instructions | Name of Exempt Organization BETTER WORLD FUND, INC | Employer identification number 58-2366765 For IRS use only |
| | Number, street, and room or suite no If a P O box, see instructions 1301 CONNECTICUT AVENUE N W, Room No 700 | |
| | City, town or post office, state, and ZIP code For a foreign address, see instructions WASHINGTON, DC 20036 | |

Check type of return to be filed (File a separate application for each return)

- Form 990
- Form 990-EZ
- Form 990-T (sec 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

If the organization does not have an office or place of business in the United States, check this box



If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)

N/A

If this is

for the whole group, check this box



If it is for part of the group, check this box



and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until 11/15/2002
- 5 For calendar year 2001, or other tax year beginning and ending
- 6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period
- 7 State in detail why you need the extension TAXPAYER'S ACCOUNTANT HAS BEEN UNABLE TO ACCUMULATE SUFFICIENT INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN EVERY EFFORT WILL BE MADE TO ENSURE TIMELY FILING

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions

N/A

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868

N/A

c Balance Due Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions

0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature

[Handwritten Signature]

Title CHIEF FINANCIAL OFFICER

Date

7 AUG 02

Notice to Applicant-To Be Completed by the IRS

- We have approved this application Please attach this form to the organization's return
- We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested
- Other

By

Director

Date

Alternate Mailing Address-

Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print

Name

Number and street (include suite, room, or apt no) Or a P O box number

City or town, province or state, and country (including postal or ZIP code)

BETTER WORLD FUND, INC
 TAXABLE YEAR ENDED DECEMBER 31, 2001
 TIN 58-2366765
 FORM 990, PART II, LINE 22, GRANTS AND ALLOCATIONS

| <u>Grant Title</u> | <u>Grant Recipient</u> | <u>Grant Expense</u> |
|---|-----------------------------|----------------------|
| PROGRAM AREA EDUCATION | | |
| Adopt-A-Minefield | UNDP/UNA-USA | \$1,651,692 |
| Adopt-A-Minefield-Continued Development | UNDP/UNA-USA | \$291,430 |
| Better World Campaign | Various | \$6,419,219 |
| Cable Broadcasting of UNTV | World Link | \$61,000 |
| Challenges for International Leadership Positioning the U S for the 21st Century | RAND | \$25,000 |
| Earth Times Coverage of UNGASS-Special Session on HIV/AIDS | Earth Times Foundation | \$20,000 |
| Enhancing Curricula for UN Education | UNA-USA | \$646,314 |
| Expanding and Exploiting the Wealth of Nations Triangle Index | World Times, Inc | \$50,000 |
| Passport to Dignity | Decade of Human Rights | \$30,900 |
| Promoting Analytical, Policy and Public Support of UN Peace Operations | Henry L. Stimson Center | \$340,000 |
| Promoting the Global Compact in the Global Dialogue on Corporate Responsibility | National Policy Association | \$40,000 |
| Response to the Secretary-General's Call to Action on HIV/AIDS Creating Awareness and Mobilizing Private Sector Fun | The Advertising Council Inc | \$620,355 |
| UN Documentary | WNET | \$1,000,000 |
| UN Wire | National Journal Group | (\$19,860) |
| UN Wire Keeping the World Informed | National Journal Group | \$2,715,965 |
| Youth Advocacy for UNGASS | Population Action Int'l | \$10,000 |
| Youth in Action Global Youth Service Day | Youth Services America | \$200,000 |
| Discount on Future Year Payments | | (\$150,026) |
| <i>Subtotal Education</i> | | \$13,952,188 |
| PROGRAM AREA INSTITUTIONAL STRENGTHENING | | |
| Adopt-A-Minefield Facilities Support | UNA-USA | \$20,937 |
| Incubating the Culture of Venture Capital | World Times, Inc | \$50,000 |
| Support for World Religious Summit and Outreach | Millenium Peace Summit | \$163,220 |
| Support to Enhance the UN Visitors' Experience | UNA-USA | \$100,000 |
| <i>Subtotal Institutional Strengthening</i> | | \$334,157 |
| PROGRAM AREA PROGRAM-RELATED | | |
| Cape Floristir Kingdom World Heritage Site | Western Cape Nature Conserv | (\$45,500) |
| Moving Forward from Instabul Prioritizing Reproductive Health Supplies | Population Action Int'l | \$300,000 |
| Support of the "Tribute to Nelson Mandela" Fundraiser to Benefit AIDS in Africa | Mosaic Foundation | \$472,843 |
| <i>Subtotal Program-Related</i> | | \$727,343 |
| GRAND TOTAL | | \$15,013,688 |

BETTER WORLD FUND, INC
 TAXABLE YEAR ENDED DECEMBER 31, 2001

TIN 58-2366765

PART IV, BALANCE SHEETS, LINE 57, LAND, BUILDINGS AND EQUIPMENT

LEASEHOLD IMPROVEMENTS, FURNITURE AND FIXTURES, AND EQUIPMENT

ACCUMULATED DEPRECIATION

| | <u>12/31/2000</u> | <u>ADDITIONS</u> | <u>(DELETIONS)</u> | <u>12/31/2001</u> |
|--|-------------------|------------------|--------------------|-------------------|
| | \$120,393 | (\$1,550) | \$119,373 | |
| | \$74,346 | \$12,214 | | \$86,560 |

| | <u>COST</u> | <u>DEPRECIATION</u> | <u>NET BOOK VALUE</u> |
|--|-------------|---------------------|-----------------------|
| | \$7,837 | (\$2,996) | \$4,841 |
| | \$106,748 | (\$82,392) | \$24,356 |
| | \$4,788 | (\$1,172) | \$3,616 |
| | \$119,373 | (\$86,560) | \$32,813 |

LEASEHOLD IMPROVEMENTS
 EQUIPMENT AND SOFTWARE
 FURNITURE AND FIXTURES

PROPERTY AND EQUIPMENT ARE RECORDED AT COST AND DEPRECIATED ON A STRAIGHT-LINE BASIS OVER THE ESTIMATED USEFUL LIVES RANGING FROM THREE TO SEVEN YEARS OR THE LIFE OF THE LEASE

BETTER WORLD FUND, INC
TAXABLE YEAR ENDED DECEMBER 31, 2001
TIN. 58-2366765
PART V, LIST OF OFFICERS, DIRECTORS, AND KEY EMPLOYEES

Line 75 - Officers, Directors, Trustee, or key employee receiving aggregate compensation of more than \$100,000 from Better World Fund, Inc of which more than \$10,000 was provided by a related organization

Compensation provided by United Nations Foundation, Inc EIN 58-2368165

| <u>Name</u> | <u>Title</u> | <u>Compensation</u> | <u>Contributions to Employee Benefit Plan</u> | <u>Expense Account/Other Allowances</u> |
|--------------------|------------------------------|---------------------|---|---|
| Timothy E Wirth | President/Director | \$298,858 | \$11,773 | \$0 |
| Jane Holl Lute | Executive Vice President | \$180,823 | \$15,573 | \$0 |
| Elizabeth C Reveal | Vice President and Treasurer | <u>\$115,152</u> | <u>\$10,532</u> | <u>\$0</u> |
| TOTALS | | \$594,834 | \$37,877 | \$0 |