Form 990-EZ

Return of Organization Exempt From Income Tax

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

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

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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Department of the Treasury
Internal Revenue Service

A For the 2008 calendar year, or tax year beginning , 2008, and ending , 20

B Check if applicable:

☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

C Name of organization

Small Wars Foundation a.k.a. Small Wars Journal

Number and street (or P.O. box, if mail is not delivered to street address)

4938 Hampden Lane

City or town, state or country, and ZIP + 4

Bethesda, MD 20814

D Employer identification number

26 : 1929457

E Telephone number

(202) 380-6329

F Group Exemption Number

G Accounting method:

☐ Cash ☐ Accrual

☐ Other (specify)

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

I Website: smallwars.org / smallwarsjournal.com

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

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

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

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

1 Contributions, gifts, grants, and similar amounts received

2 Program service revenue including government fees and contracts

3 Membership dues and assessments

4 Investment income

5 Gross amount from sale of assets other than inventory

5a Less: cost or other basis and sales expenses

5b

5c Gain or (loss) from sale of assets other than inventory (Subtract line 5a from line 5b) (attach schedule)

6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here □

6a Gross revenue (not including $ of contributions reported on line 1)

6b

6c Net income or (loss) from special events and activities (Subtract line 6b from line 6a)

7 Gross sales of inventory, less returns and allowances

7a

7b

7c

8 Other revenue (describe □)

8

9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8

9

10 Grants and similar amounts paid (attach schedule)

10

11 Benefits paid to or for members

11

12 Salaries, other compensation, and employee benefits

12

13 Professional fees and other payments to independent contractors

13

14 Occupancy, rent, utilities, and maintenance

14

15 Printing, publications, postage, and shipping

15

16 Other expenses (describe □ SEE STATEMENT 1)

16

17 Total expenses. Add lines 10 through 16

17

18 Excess or (deficit) for the year (Subtract line 17 from line 9)

18

19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)

19

20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2

20

21 Net assets or fund balances at end of year. Combine lines 18 through 20

21

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

(See the instructions for Part II.)

(A) Beginning of year

(B) End of year

22 Cash, savings, and investments

0 22 373

23 Land and buildings

0 23 0

24 Other assets (describe □ smallwarsjournal.com & intellectual property)

0 24 13700

25 Total assets

0 25 14073

26 Total liabilities (describe □ SEE STATEMENT 3)

0 26 3884

27 Net assets or fund balances (line 27 of column (B) must agree with line 21)

0 27 10189

Cat. No. 106641

Form 990-EZ (2008)
**Part III**  Statement of Program Service Accomplishments (See the instructions for Part III.)

What is the organization's primary exempt purpose? **Education and service to small wars community**

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.

28. SEE STATEMENT 4

| (Grants $                   ) If this amount includes foreign grants, check here | 28a | 6767 |

29. 

| (Grants $                   ) If this amount includes foreign grants, check here | 29a |

30. 

| (Grants $                   ) If this amount includes foreign grants, check here | 30a |

31. Other program services (attach schedule) 

| (Grants $                   ) If this amount includes foreign grants, check here | 31a |

32. Total program service expenses (add lines 28a through 31a) 

|                                                                                          | 32  | 6767 |

**Part IV**  List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

| (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 |

SEE STATEMENT 5
Part V  Other Information (Note the statement requirements in the instructions for Part VI.)

33 Did the organization engage in any activity not previously reported to the IRS? If “Yes,” attach a detailed description of each activity ................................................................. 33  ✔

34 Were any changes made to the organizing or governing documents but not reported to the IRS? If “Yes,” attach a conformed copy of the changes ........................................................................... 34  ✔

35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.
   a Did the organization have unrelated business gross income of $1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements? ............................................................. 35a  ✔
   b If “Yes,” has it filed a tax return on Form 990-T for this year? .................................................................................................................................................. 35b  ✔

36 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If “Yes,” complete applicable parts of Schedule N ................................................................................. 36  ✔

37a Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a

37b Did the organization file Form 1120-POL for this year? ............................................................................................................. 37b  ✔

38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return? ........................................................................................................... 38a  ✔
   b If “Yes,” complete Schedule L, Part II and enter the total amount involved ........................................................................ 38b

39 Section 501(c)(7) organizations. Enter:
   a Initiation fees and capital contributions included on line 9 ........................................................................................................ 39a

39b Gross receipts, included on line 9, for public use of club facilities .......................................................................................................................... 39b

40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 4911 0 ; section 4912 ▶ 4912 0 ; section 4955 ▶ 4955 0 ......................................................................................................................... 40a  ✔
   b Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If “Yes,” complete Schedule L, Part I ........................................................................................................... 40b

40c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ........................................................................................................................................ 40c

40d Enter amount of tax on line 40c reimbursed by the organization ........................................................................................................... 40d

40e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If “Yes,” complete Form 8886-T. ........................................................................................................ 40e

41 List the states with which a copy of this return is filed. ▶

42a The books are in care of ▶ William S Nagle ........................................................................................................................................ 42a  ✔

   Located at ▶ 4938 Hampden Ln #550, Bethesda, MD .............................................................................................................................. 42b

   Telephone no. ▶ (301) 380-6329 ............................................................................................................................................... 42b

   ZIP + 4 ▶ 20814 ................................................................................................................................................................................ 42b

   b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? ........................................................................................................................................ 42b
   If “Yes,” enter the name of the foreign country: ▶

   See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

   c At any time during the calendar year, did the organization maintain an office outside of the U.S.? ........................................................................................................................................ 42c
   If “Yes,” enter the name of the foreign country: ▶

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ........................................................................................................ 43

   a ▶

44 Did the organization maintain any donor advised funds? If “Yes,” Form 990 must be completed instead of Form 990-EZ ........................................................................................................................................ 44  ✔

45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If “Yes,” Form 990 must be completed instead of Form 990-EZ ........................................................................................................................................ 45  ✔
**Part VI**  **Section 501(c)(3) organizations only.** All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If “Yes,” complete Schedule C, Part I. 

47 Did the organization engage in lobbying activities? If “Yes,” complete Schedule C, Part II.

48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If “Yes,” complete Schedule E.

49a Did the organization make any transfers to an exempt non-charitable related organization?

49b If “Yes,” was the related organization(s) a section 527 organization?

50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter “None.”

<table>
<thead>
<tr>
<th>(a) Name and address of each employee paid more than $100,000</th>
<th>(b) Title and average hours per week devoted to position</th>
<th>(c) Compensation</th>
<th>(d) Contributions to employee benefit plans &amp; deferred compensation</th>
<th>(e) Expense account and other allowances</th>
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<tr>
<td>None</td>
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</table>

Total number of other employees paid over $100,000 ►

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

<table>
<thead>
<tr>
<th>(a) Name and address of each independent contractor paid more than $100,000</th>
<th>(b) Type of service</th>
<th>(c) Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
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</table>

Total number of other independent contractors each receiving over $100,000 ►

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer  

Date  

William S Nagle, Director & President  

Type or print name and title.

May the IRS discuss this return with the preparer shown above? See instructions. 

☐ Yes  ☐ No
Public Charity Status and Public Support

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

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

Name of the organization: Small Wars Foundation a.k.a Small Wars Journal
Employer identification number: 26 1929457

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

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

1. [ ] A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2. [ ] A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3. [ ] A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
4. [ ] A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: 
5. [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6. [ ] A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7. [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8. [ ] A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9. [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
10. [ ] An organization organized and operated exclusively for public safety. See section 509(a)(4). (see instructions)
11. [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

   a [ ] Type I      b [ ] Type II      c [ ] Type III—Functionally integrated      d [ ] Type III—Other

   e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

   f [ ] If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

   g [ ] Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

      (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

      (ii) A family member of a person described in (i) above?

      (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

   (i) Name of supported organization
   (ii) EIN
   (iii) Type of organization described on lines 1-9 above or IRC section (see instructions)
   (iv) Is the organization in col. (i) listed in your governing document?
   (v) Did you notify the organization in col. (i) of your support?
   (vi) Is the organization in col. (i) organized in the U.S.?
   (vii) Amount of support

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Total

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.
## Part II  Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

### Section A. Public Support

**Calendar year (or fiscal year beginning in)** | **(a) 2004** | **(b) 2005** | **(c) 2006** | **(d) 2007** | **(e) 2008** | **(f) Total**
--- | --- | --- | --- | --- | --- | ---
1. Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") |  |  |  |  | 1695 | 1695
2. Tax revenues levied for the organization's benefit and either paid to or expended on its behalf |  |  |  |  |  | 1695
3. The value of services or facilities furnished by a governmental unit to the organization without charge |  |  |  |  | 1695 | 1695
4. **Total.** Add lines 1-3 |  |  |  |  | 1695 | 1695
5. The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |  |  |  |  |  | 1695
6. **Public support.** Subtract line 5 from line 4.

### Section B. Total Support

**Calendar year (or fiscal year beginning in)** | **(a) 2004** | **(b) 2005** | **(c) 2006** | **(d) 2007** | **(e) 2008** | **(f) Total**
--- | --- | --- | --- | --- | --- | ---
7. Amounts from line 4 |  |  |  |  | 1695 | 1695
8. Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |  |  | 8 |  |  | 8
9. Net income from unrelated business activities, whether or not the business is regularly carried on |  |  |  |  |  | 1695
10. Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) |  |  |  |  |  | 1695
11. **Total support.** Add lines 7 through 10 |  |  | 1703 |  |  | 1703
12. Gross receipts from related activities, etc. (see instructions) | 12 |  |  | 1553 |  | 1553
13. **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

### Section C. Computation of Public Support Percentage

14. Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) | 14 |  |  |  |  | %
15. Public support percentage from 2007 Schedule A, Part IV-A, line 26f | 15 |  |  |  |  | %
16a. **33 1/3% support test—2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.

**b 33 1/3% support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.

17a. **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.

**b 10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.

18. **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.
FORM 990-EZ – GENERAL EXPLANATION ATTACHMENT

Item K – Although gross receipts for 2008 are less than $25,000, the organization anticipates gross receipts in 2009 and later will normally be more than $25,000 and therefore is filing a complete Form 990-EZ for 2008.

STATEMENT 1

Form 990-EZ, Part I, Item 16 – Other Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses &amp; Fees</td>
<td>875</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>48</td>
</tr>
<tr>
<td>Office, Travel, &amp; Meetings</td>
<td>404</td>
</tr>
<tr>
<td>Utilities (Telephone and Internet)</td>
<td>1330</td>
</tr>
<tr>
<td>Website Hosting and Software</td>
<td>1610</td>
</tr>
<tr>
<td>Website Purchase</td>
<td>2500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6767</strong></td>
</tr>
</tbody>
</table>

STATEMENT 2

Form 990-EZ, Part I, Item 20 – Other Changes in Net Assets

As fully described in Small Wars Foundation’s Form 1023 filing, Small Wars Foundation purchased the established websites smallwarsjournal.com and smallwars.org with their related intellectual property from Small Wars Journal, LLC during 2008. The purchase was valued at $13,700. The assets are recognized on Small Wars Foundation’s balance sheet using that net valuation as a conservative fair market value, reflecting the cash price of $2,500 plus $11,200 of goodwill / assets contributed in excess of purchase price.

STATEMENT 3

Form 990-EZ, Part II, Item 26 – Total Liabilities

As of December 31, 2008, Small Wars Foundation had Accounts Payable to Small Wars Journal, LLC of $3,884. This amount consists of $2,500 due for the purchase of the websites and intellectual property, and $1,384 in net cash accruals for direct site operations income and expenses pending the transition of site operations accounts, per the Contract of Sale and Transition of Operations Agreement for Small Wars Journal of April 10, 2008. The terms of the agreement allow for payments to be deferred until October 1, 2009.
STATEMENT 4

Form 990-EZ, Part III, Item 28 – Program Service Accomplishments

Small Wars Foundation (SWF) operates the website smallwarsjournal.com for educational purposes to provide the community of small wars practitioners, thought leaders, and students of small wars a venue to advance knowledge and capabilities in the field. SWF provides the capabilities to sustain and expand the site and further deliver to its potential to serve the community, while providing for the assets to be permanently dedicated to exempt purposes in the spirit in which the site was established and initially operated by Small Wars Journal, LLC.

SWF formed in January, 2008 to explore support from grant-making organizations and other sources of charitable and public support. On the strength of a substantial grant approved and contingent only upon federal recognition of exemption, SWF acquired the website smallwarsjournal.com from Small Wars Journal, LLC and assumed responsibility for site operations on June 1, 2009. SWF’s 501(c)(3) exemption was granted on December 31, 2008, which will allow the grant to execute in 2009 and SWF to make significant progress pursuant to the exempt purposes.

smallwarsjournal.com serves about 50,000 unique visitors per month. The site includes the professional journal Small Wars Journal, short opinion, commentary and news on the SWJ Blog, a spirited professional dialog on the discussion board Small Wars Council, and various other research, reference, and events sections with items of interest to the professional community.

Program Service Expenses – $6767

STATEMENT 5 – Part IV

Form 990-EZ, Part IV – List of Officers, Directors, Trustees, and Key Employees

William S Nagle, 4938 Hampden Lane #560, Bethesda, MD 20814
Averages 24 hours per week as Director and President, Small Wars Foundation, and Publisher, Small Wars Journal. $0 compensation, $0 contributions to benefit plans and deferred compensation, $0 expense account and allowances.

David P Dilegge, 4938 Hampden Lane #560, Bethesda, MD 20814
Averages 30 hours per week as Director and Vice President, Small Wars Foundation, and Editor-in-Chief, Small Wars Journal. $0 compensation, $0 contributions to benefit plans and deferred compensation, $0 expense account and allowances.

Directors have been supplied with blackberries for business purposes. Any personal usage is infrequent and not a substantial part of usage; therefore is not considered a taxable or non-taxable benefit. No value has been assigned to these devices in this schedule.