

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

2008

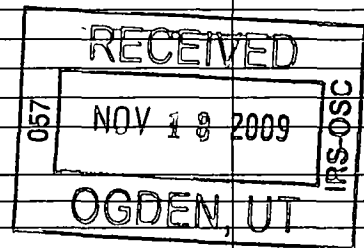
Department of the Treasury
Internal Revenue Service

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

For calendar year 2008, or tax year beginning , 2008, and ending ,

G Check all that apply		Initial return	Final return	Amended return	Address change	Name change
Use the IRS label. Otherwise, print or type. See Specific Instructions	Name of foundation Stegall Charitable Educational Foundation				A Employer identification number 48-1281001	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 107 N. Maple				B Telephone number (see the instructions) (615) 895-9890	
	City or town Murfreesboro		State ZIP code TN 37130		C If exemption application is pending, check here <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation						
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation						
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 794,249.			J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>						

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)				
REVENUE				
1 Contributions, gifts, grants, etc., received (att sch)	235.			
2 Ck ▶ <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	12.			
4 Dividends and interest from securities	27,985.			
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule) Class Action Proceeds	27.			
12 Total. Add lines 1 through 11	28,259.	0.	0.	
ADMINISTRATIVE EXPENSES				
13 Compensation of officers, directors, trustees, etc	12,000.			12,000.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) L-16b Stmt	6,918.			6,918.
c Other prof fees (attach sch) L-16c Stmt	10,558.			10,558.
17 Interest				
18 Taxes (attach schedule) See Line 18 Stmt	619.			525.
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications	250.			250.
23 Other expenses (attach schedule) See Line 23 Stmt	82.			82.
24 Total operating and administrative expenses. Add lines 13 through 23	30,427.			30,333.
25 Contributions, gifts, grants paid	16,500.			16,500.
26 Total expenses and disbursements. Add lines 24 and 25	46,927.			46,833.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-18,668.			
b Net investment income (if negative, enter -0)		0.		
c Adjusted net income (if negative, enter -0)			0.	



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	18,593.	2,228.	2,228.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment, basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe <u>L-15 Stmt</u>)	1,052,067.	792,021.	792,021.	
16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	1,070,660.	794,249.	794,249.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe _____)			
	23 Total liabilities (add lines 17 through 22)			
FUNDS ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	1,070,660.	794,249.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see the instructions)	1,070,660.	794,249.		
31 Total liabilities and net assets/fund balances (see the instructions)	1,070,660.	794,249.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,070,660.
2 Enter amount from Part I, line 27a	2	-18,668.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,051,992.
5 Decreases not included in line 2 (itemize) <u>See Other Decreases Stmt</u>	5	257,743.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	794,249.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a CFJ-465143	D	various	various
b FPT-005185	D	various	various
c FPT-005193	D	various	various
d FPT-005207	D	various	various
e See Columns (a) thru (d)			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 35,000.		34,982.	18.
b 547,099.		518,928.	28,171.
c 55,937.		63,340.	-7,403.
d 38,263.		45,551.	-7,288.
e See Columns (e) thru (h)		234,002.	-47,980.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	18.
b 0.	0.	0.	28,171.
c			-7,403.
d			-7,288.
e See Columns (i) thru (l)			-47,980.

2 Capital gain net income or (net capital loss)	$\left[\begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right]$	2	-34,482.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6).	$\left[\begin{array}{l} \text{If gain, also enter in Part I, line 8, column (c) (see the instructions)} \\ \text{If (loss), enter -0- in Part I, line 8} \end{array} \right]$	3	-90,397.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If 'Yes,' the foundation does not qualify under section 4940(e) Do not complete this part

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2007	5,170.	92,132.	0.056115
2006	5,000.	6,341.	0.788519
2005	1,500.	9,610.	0.156087
2004	1,500.	10,228.	0.146656
2003	492.	9,838.	0.050010

2 Total of line 1, column (d)	2	1.197387
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.239477
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	945,968.
5 Multiply line 4 by line 3	5	226,538.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.
7 Add lines 5 and 6	7	226,538.
8 Enter qualifying distributions from Part XII, line 4	8	46,833.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	0.
6 Credits/Payments			
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6 a		
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c	0.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		0.
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0.
11 Enter the amount of line 10 to be Credited to 2009 estimated tax	11	Refunded	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) TN - Tennessee		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(3)? If 'Yes', attach schedule (see instructions).			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	X		
14	The books are in care of ▶ <u>Sandra Y. Trail</u> Telephone no ▶ <u>(615) 895-9890</u> Located at ▶ <u>107 N. Maple, Murfreesboro, TN</u> ZIP + 4 ▶ <u>37130</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year			<input type="checkbox"/>
			15	

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

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

		Yes	No
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1 b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions)	2 b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20__ , 20__ , 20__ , 20__		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008)	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4 b	X

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? 5b

Organizations relying on a current notice regarding disaster assistance check here ▶

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b

If you answered 'Yes' to 6b, also file Form 8870 X

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? 7b

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

1 List all officers, directors, trustees, foundation managers and their compensation (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, other allowances
Whitney Stegall, Jr. 1050 Beach Grove Road, Brentwood, TN 37027	President, 10.00	4,000.	0.	0.
Amy Swartz 1425 Bradberry Drive, Murfreesboro, TN 37130	Secretary, 10.00	4,000.	0.	0.
Sandra Y. Trail, 107 N. Maple, Murfreesboro, TN 37130	Treasurer, 10.00	4,000.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

Total number of other employees paid over \$50,000 ▶ None

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE	NONE	

Total number of others receiving over \$50,000 for professional services ▶ None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 <u>Awarded scholarships to qualifying applicants</u>	
-----	16,500.
2 -----	
3 -----	
4 -----	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 -----	
2 -----	
All other program-related investments See instructions	
3 -----	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a Average monthly fair market value of securities	1a	957,157.
b Average of monthly cash balances	1b	3,217.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	960,374.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	960,374.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	14,406.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	945,968.
6 Minimum investment return. Enter 5% of line 5	6	47,298.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	47,298.
2a Tax on investment income for 2008 from Part VI, line 5	2a	0.
b Income tax for 2008 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	0.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	47,298.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	47,298.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	47,298.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	46,833.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	46,833.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	46,833.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				47,298.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			4,513.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2008:				
a From 2003	0.			
b From 2004	497.			
c From 2005	1,500.			
d From 2006	5,000.			
e From 2007	5,170.			
f Total of lines 3a through e	12,167.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 46,833.				
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2008 distributable amount				
e Remaining amount distributed out of corpus	46,833.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	59,000.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2007 Subtract line 4a from line 2a. Taxable amount – see instructions			4,513.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				47,298.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	59,000.			
10 Analysis of line 9				
a Excess from 2004	497.			
b Excess from 2005	1,500.			
c Excess from 2006	5,000.			
d Excess from 2007	5,170.			
e Excess from 2008	46,833.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling ▶

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

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

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

NONE

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

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

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

Stegall Charitable Education Foundation, c/o Whitney Stegall, Jr., Trustee
 P.O. Box 150786
 Nashville TN 37215-0786 (615) 895-9890

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

SEE ATTACHED

c Any submission deadlines

SEE ATTACHED

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

SEE ATTACHED

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
Andrea Minton 2351 Irby Lane, Murfreesboro, TN 37128	NONE	N/A	Scholarship Middle Tennessee State University	1,000.
Jan Rogers 2631 Memorial Blvd, Murfreesboro, TN 37129	NONE	N/A	Scholarship Vanderbilt University	1,000.
Holly McKnight 1100 Church St, Murfreesboro, TN 37130	NONE	N/A	Scholarship Lipscomb University	1,000.
Nicholas Christiansen 3006 Palace Place, Murfreesboro, TN 37129	NONE	N/A	Scholarship Lipscomb University	1,000.
Bridgett Dobbins 7821 Satinwood Place Cordova TN 38016	NONE	N/A	Scholarship Christian Brothers University	1,000.
Jessica L. Bass 140 Horners Loop Humbolt TN 38343	NONE	N/A	Scholarship Vanderbilt University	1,000.
Thomas Orion Hall 6709 Forest Village Way Knoxville TN 37919	NONE	N/A	Scholarship University of Tennessee at Knoxville	1,000.
Kyle Cokkinias 663 Turner Road Crossville TN 38555	NONE	N/A	Scholarship UT Knoxville	1,000.
Oluwatola Adebusola Assan 2471 Oakhill Drive Murfreesboro TN 37130	NONE	N/A	Scholarship MTSU	1,000.
See Line 3a statement				7,500.
Total				16,500.
<i>b Approved for future payment</i>				
Total				3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	12.	
4 Dividends and interest from securities			14	27,985.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			19	27.	
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				28,024.	
13 Total. Add line 12, columns (b), (d), and (e)				13	28,024.

(See worksheet in the instructions for line 13 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions)
3	N/A

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the 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?

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		X

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

- (1) Cash
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) 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 foundation. If the foundation 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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation 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

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 taxpayer or fiduciary) is based on all information provided.

SIGN
 Signature of officer or trustee: Sandra Y. Trail

HERE
 Preparer's signature: Sandra Y. Trail
 Firm's name (or yours if self-employed), address, and ZIP code: Sandra Y. Trail, 107 N Maple St., Murfreesboro

Paid Preparer's Use Only

BAA

STEGALL CHARITABLE EDUCATIONAL FOUNDATION

Scholarships shall be granted to high school students, high school graduates or existing college students entering a full-time program of college study within one year from the scholarship application deadline. **The scholarship application deadline for the Spring Semester is December 1 and the deadline for the Fall Semester is July 1.** Scholarship funds shall be used only for college tuition, fees, room and board, and books and materials. Funds granted shall be a gift to the student and are not required to be repaid, except as hereinafter set forth. Funds shall be granted on a per-semester basis. Each semester's award will be accompanied with instructions for the grant and the re-qualification process for subsequent semester awards. Scholarships will be given on an equal opportunity basis. The criteria for selecting such students shall be in the discretion of the Trustees, giving preferential treatment first, to those individuals that have demonstrated a willingness to serve the general public through past civic responsibilities, and secondly, to those individuals who have expressed an intention to become an attorney.

To qualify for scholarship funds, students shall be required to possess the following:

1. At least a 2.8 (on a 4.0 scale) cumulative high school G.P.A. (or its equivalent, to be submitted as a sealed transcript) or an 18 composite A.C.T. score (or its equivalent) for first-time freshman;
2. At least a 3.0 cumulative G.P.A. (on a 4.0 scale) for college upper classmen and transfer students;
3. Need for financial assistance,
4. Full-time student status, except when less than a full-time course load is necessary to complete a degree program, and
5. Unrestricted academic standing with the university or college with which courses will be taken (e.g., no academic suspensions).

Students shall register for classes in accordance with university procedure and the Foundation shall pay tuition funds to the university directly, on behalf of the student. Each scholarship recipient shall receive an equal stipend for books and materials expense. At the end of each academic term, each scholarship recipient shall submit a college transcript, showing grades from the term just completed, to the Foundation's Board of Trustees. In order to continue receiving the scholarship grant for the next academic term, the student must possess at least a 2.5 G.P.A. for the preceding term paid for by the Foundation. Transcripts for qualification or re-qualification for subsequent semester awards should be submitted no later than fifteen (15) days following the end of the semester.

Any student who withdraws from a class during the academic term, which such withdrawal causes such student to lose full-time status with the university, shall be required to reimburse the Foundation for the tuition cost for the class from which he or she withdrew. This reimbursement condition may be waived at the sole discretion of the Board of Trustees for a student who suffers a serious injury, illness or similar good cause for withdrawal from a class or classes. Any student who is found to have provided false information on his or her scholarship application form shall be liable to the Foundation for the full cost of the scholarship used.

Return your completed application and pertinent attachments to:
Whit Stegall
P.O. Box 150786
Nashville, TN 37215-0786

Stegall Charitable Educational Foundation Scholarship Application Form

(Please print or type)

Student Name and Address:

High School(s) Attended, Address of School:

Date of Graduation: _____

Cumulative G.P.A. (on 4.0 scale) at end of most recent semester or date of graduation: _____

Please attach an official copy of your final high school transcript.

Latest ACT Composite Score (or its equivalent) _____

University or College that you will attend and Address (list any attended in past or that you are currently attending):

If applicable at this time - University or College Cumulative G.P.A. (on a 4.0 scale) _____

Please attach an official copy of your current college transcript.

Please explain why you are in financial need of this scholarship. Specifically, indicate whether you are still a dependent for federal income tax purposes, and if so, the name and annual income for the person or persons for whom you are a dependent:

Past civic responsibilities: _____

Career Intentions: _____

Any personal statement or letter submitted an applicant will be reviewed by the board.

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Foreign Taxes	525.			525.
Investment Income Tax	94.			
Total	<u>619.</u>			<u>525.</u>

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Annual Report TN Sec. of State	20.			20.
Postage	52.			52.
Bank Fees	10.			10.
Total	<u>82.</u>			<u>82.</u>

Form 990-PF, Page 2, Part III, Line 5

Other Decreases Stmt

Unrecognized depreciation of securities investments	<u>257,743.</u>
Total	<u>257,743.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
FPT-005215	D	various	various
FPT-005223	D	various	various
FPT-005231	D	various	various

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
121,162.		136,092.	-14,930.
31,664.		52,798.	-21,134.
33,196.		45,112.	-11,916.
Total		<u>234,002.</u>	<u>-47,980.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (i) thru (l)

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
_____	_____	_____	-14,930.
_____	_____	_____	-21,134.
_____	_____	_____	-11,916.
Total			<u>-47,980.</u>

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
<u>Oluwatomilola Adekunbi Assan</u> <u>2471 Oakhill Drive</u> <u>Murfreesboro TN 37130</u>	NONE	N/A	Scholarship MTSU	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
<u>Oluwatosin Tolulope Assan</u> <u>2471 Oakhill Drive</u> <u>Murfreesboro TN 37130</u>	NONE	N/A	Scholarship MTSU	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
<u>Steven Marise</u> <u>9041 Red Bud Lane</u> <u>Nunnely TN 37137</u>	NONE	N/A	Scholarship Freed-Hardeman University	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Seraiah Vinson</u> <u>1228 Kyle Drive</u> <u>Cookeville TN 38501</u>	NONE	N/A	Scholarship Vanderbilt University	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Ezra Helton</u> <u>309 East McKinney Ave</u> <u>Rogersville TN 37857</u>	NONE	N/A	Scholarship East Tennessee State University	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Michael Mitchell</u> <u>648 Boone Lane</u> <u>Jackson TN 38301</u>	NONE	N/A	Scholarship University of Tennessee	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Joshua Ragan</u> <u>896 Walnut Grove Road</u> <u>Bluff City TN 37618</u>	NONE	N/A	Scholarship Carson-Newman College	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Hollie Glisson</u> <u>1088 Akins Store Road</u> <u>Munford TN 38058</u>	NONE	N/A	Scholarship Baptist College of Health Sciences	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Michael Nanney</u> <u>509 Forrest Pointe Drive</u> <u>Murfreesboro TN 37130</u>	NONE	N/A	Scholarship Middle Tennessee State University	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
<u>Jack Parker</u> <u>1021 Francis St #347D</u> <u>Knoxville TN 37916</u>	NONE	N/A	Scholarship University of Tennessee	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.

Form 990-PF, Page 11, Part XV, line 3a
Line 3a statement

Continued

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Hannah Vick 127 Ridgebend Drive Murfreesboro TN 37128	NONE	N/A	Scholarship Millsaps College	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
Erin Grayson P.O. Box 6740 Maryville TN 37802	NONE	N/A	Scholarship Bryan College	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.
Lydia Steele 721 Bryan Drive #7764 Dayton TN 37321	NONE	N/A	Scholarship Bryan College	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 500.

Total

7,500.

Form 990-PF, Page 1, Part I, Line 16b
L-16b Stmt

Line 16b - Accounting Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
Trail & Agee	990PF prep.	2,787.			
Trail & Agee	990PF prep.	4,131.			

Total

6,918.

Form 990-PF, Page 1, Part I, Line 16c
L-16c Stmt

Line 16c - Other Professional Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
First TN Bank	Investment Advisor Fees	10,558.			

Total

10,558.

Form 990-PF, Page 2, Part II, Line 15

Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year	
		Book Value	Fair Market Value
FPT-005185 Securities	679,951.	15,995.	15,995.
CFJ-465143 Securities	372,116.	361,867.	361,867.
FPT-005193 Securities	0.	112,143.	112,143.
FPT-005207 Securities	0.	98,769.	98,769.
FPT-005215 Securities	0.	72,196.	72,196.
FPT-005223 Securities	0.	66,721.	66,721.
FPT-005231 Securities	0.	64,330.	64,330.
Total	<u>1,052,067.</u>	<u>792,021.</u>	<u>792,021.</u>

Supporting Statement of:

Form 990-PF, p1/Line 1(a)

Description	Amount
7/2/2008 John and Heidi Hassenfeld Foudation	180.
4/2008 Stegall CRUT	35.
6/2008 Stegall CRUT	4.
2/2008 Stegall CRUT	0.
3/2008 Stegall CRUT	16.
Total	<u>235.</u>

Supporting Statement of:

Form 990-PF, p1/Line 13(a)

Description	Amount
Whit Stegall	4,000.
Amy Swartz	4,000.
Sandra Trail	4,000.
Total	<u>12,000.</u>

Supporting Statement of:

Form 990-PF, p1/Line 22(a)

Description	Amount
Whit Stegall - Processing Applications	250.
Total	<u>250.</u>

Supporting Statement of:

Form 990-PF, p2/Line 2(a)

Description	Amount
Checking/Savings	8,435.
SYT Escrow	500.
FPT-005185	8,114.
CFJ-465143	1,544.
Total	<u>18,593.</u>

Supporting Statement of:

Form 990-PF, p12/Line 3 Column (d)

Description	Amount
First TN Bank	12.
Total	<u>12.</u>

Supporting Statement of:

Form 990-PF, p12/Line 4 Column (d)

Description	Amount
CFJ-465143	16,046.
FPT-005185	504.
FPT-005193	4,986.
FPT-005207	1,445.
FPT-005215	922.
FPT-005223	2,838.
FPT-005231	1,244.
Total	<u>27,985.</u>

Supporting Statement of:

Legal and Professional Fees/Line 16c Book amount-1

Description	Amount
CFJ-465143	35.
	820.
	2,567.
	2,003.
	2,012.
	1,601.
	1,520.
Total	<u>10,558.</u>

Supporting Statement of:

Other Assets and Liabilities/Line 15 Beg Book-2

Description	Amount
Accrued Interest	4,113.
Securities	268,003.
Other Securities	100,000.
Total	<u>372,116.</u>