DO YOU BELIEVE IN MAGIC?

Remember how fascinated you were the first time you saw a magician pour milk into a top hat? And the surprise you experienced when the magician’s hand reached into the hat to pull out that pink-nosed white bunny? Now, you’re asking yourself, “What does this have to do with East Tennessee Foundation (ETF)?”

In these stressful financial times, even those who rarely took note of the stock market status, new housing starts, the percent of unemployment, and other economic health indicators, are doing so on a daily basis now. Each one of us is searching for some hint that the monetary circumstances are improving.

In the meantime, the philanthropic vision for our region can slip away when worthy organizations fail. That’s why generously sharing our blessings may be more important now than ever before. East Tennessee Foundation was created for the purpose of building charitable resources of various types, one of which is endowment. Endowments are made for times like these, offering a steady stream of permanent support to the Foundation and our region. Ninety nonprofits are presently benefiting from distributions from endowments established by them or for them.

East Tennessee Foundation is lean and in the black, using less than 1% of assets for operating. Our assets are pooled and invested under the watchful eye of our board of directors and investment committee made up of regional leaders and investment professionals. With their guidance, we have weathered the economic storm better than most long-term investors.

We invite you to put our flexibility, our skills, and our expertise to work for you. It may not be magic, but the Foundation is uniquely equipped and prepared to help you turn a wide range of assets of value into changing lives – and over time, changing a region.

With the current economic situation, who among us wouldn’t welcome a little magic? And ETF just may be the magician in this magic show. You help us pour in the resources and we’ll help you pull out a better quality of life in East Tennessee.

Michael T. McClamroch
ETF President & CEO

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Heller Exhibit Opens

East Tennessee Foundation is currently hosting a photography exhibit by UT Journalism and Electronic Media Professor Rob Heller, 10 to 4 weekdays.

The photographs in this exhibit are printed using the highest quality archival paper and ink. They are available for purchase at $300 each and all proceeds go to the Foundation.

See ETF on Community Television
Channel 12
Wednesdays - 5:30 p.m.
Saturdays - 4:30 p.m.
On July 12, 2009, when Marian Elizabeth Oates passed away peacefully at her home on Bluff Mountain in Sevier County, East Tennessee Foundation (ETF) lost one of its most devoted board members and best friends. Marian had the distinction of having attended more board training sessions than any other board member. She really knew the Foundation inside and out and chose to entrust her legacy fulfillment to the Foundation. We are saddened by her loss, but honored by her trust in us.

At the age of 12 during a visit with her grandmother in Soddy-Daisy, TN, Marian Oates learned some very useful lessons about the importance of good preparation and planning. An enterprising Marian headquartered a frozen popsicle business in her grandmother’s kitchen. The unforgettable lessons were learned when she ran short of suckers to sell to the many anxious customers who lined up at the kitchen door. The value she placed on advanced planning and her attention to meticulous detail was never more evident than when she explored and ultimately decided what would be necessary to realize the dream she envisioned for the future of Bluff Mountain.

Marian was concerned about the rapid loss of natural areas and the resulting negative effects on wildlife habitat, ground water supplies, air quality, vegetation, scenic beauty, and other attributes that contribute to a good quality of life. To that end, the plan that she chose to secure her 500 acres, which she called Bluff Mountain, on Chilhowee Mountain in Sevier County, TN, is a partnership between East Tennessee Foundation and Foothills Land Conservancy (FLC). Marian was unrelenting in making certain that each partner understood in great detail what she wanted and the potential for things to go astray. Her goal was to build a wall around her dream so there would be no leakage. Within the partnership, Foothills Land Conservancy owns and manages the property conservation easement that keeps the property in its natural state, no matter who owns the land in the future. East Tennessee Foundation administers the endowment fund that Marian provided to deal with the costs of property ownership: insurance, taxes, and property management.

“When I became a board member in 2004, I gained a greater understanding of how well ETF is managed administratively, the expertise of its board and staff, its accountability to its fundholders, and the professional management of its assets. Later, I realized the value of such a community foundation in estate planning....” said Marian.

Living on top of a mountain and driving to town in difficult weather conditions never slowed Marian Oates down – in fact, she was usually early to meetings. We always wanted her with us for as long as possible.

We will miss her terribly, but our region’s future generations will enjoy her splendid legacy forever.
Most of you know Community Health of East Tennessee by another name. REACHS, Inc. (Regional Education and Community Health Services) began in 1980 primarily as a program to serve coal workers in Campbell and the surrounding counties who were diagnosed or suffering from black lung disease. Through the years the non-profit organization grew to meet the needs of others in the communities it served. Today, Community Health of East Tennessee, Inc. (CHET) has grown to be a broad-based service agency offering a wide variety of social and health services to people living in Campbell and adjoining counties.

Community Health of East Tennessee, now a multi-disciplinary community-based social service and health provider, manages programs in the following areas: Developmentally Disabled Adults; Child Advocacy Center; Domestic Violence Shelter; Child Abuse Prevention Services; Parent Education and Divocing Parent’s Classes; Abstinence Education; Dolly Parton’s Imagination Library; Medicare/Medicaid Transportation; Low-income Housing; and a Community Health Center with full primary care services including a Black Lung program.

As a result of strategic planning with an eye to the future growth in CHET’s service area, Community Health of East Tennessee organized a local advisory board and foundation to begin a capital campaign to build a new Community Health Center. The Health Center is needed to better meet growing demands and to provide adequate space for expansion of its professional staff and programs. Additionally, the need for extra space for a Child Advocacy Center is also growing. The building that currently houses the Children’s Center is not of adequate size to meet the needs of families who seek services.

On May 1, 2009, Community Health of East Tennessee formally launched its capital campaign by sharing its story and goals at a breakfast in Knoxville and a luncheon in Campbell County. The programs were well-attended and the featured speaker was Chad Pennington, who spent his early years growing up in Campbell County.

East Tennessee Foundation (ETF) is proud to be a partner with Community Health of East Tennessee Foundation. ETF is honored that both an endowed designated fund and a non-endowed designated fund have been established with ETF to grow the resources needed for the immediate capital campaigns, and to be the steward of funds for future years as Community Health of East Tennessee Foundation continues to meet the needs of citizens in the region.

For more information, or to make a gift, contact Terry Holley at East Tennessee Foundation or Teresa Dabney, Chief Executive Officer at Community Health of East Tennessee, 423-563-1032.
Navigating the world of nonprofit organizations can be challenging for donors, volunteer board members, organizational members, and staff members. Just when one thinks they have a good understanding, a law like the Pension Protection Act is passed and suddenly there are new regulations in place that demand organizational policy changes and increased Internal Revenue Service reporting requirements.

This is just one example of the changing face of the nonprofit sector that demands, now more than ever, accountability, boards’ understanding and exercising fiduciary responsibility, putting into practice conflict of interest policies, and the close examination and implementation of non-discrimination policies. The process has become far more involved than operating programs with charitable purposes.

For many well-intended, passionate individuals, organizing, starting and operating a nonprofit organization has been done with little regard to the importance of regulation and “best practices.” In today’s economic times, and with new government policies in place, it is essential that nonprofit organizations lead by passion, vision, and a knowledgeable board of directors with a clear understanding of its role as a governing body.

One of the ways ETF sets itself apart from other charitable foundations is our staff’s in-depth understanding of the issues and opportunities confronting nonprofit organizations in our region. As a committed “investor” in the East Tennessee nonprofit sector, ETF strives to partner with nonprofit organizations by providing technical assistance in a wide variety of ways. ETF offers an array of workshops to assist nonprofit organizations in preparing applications for its funding opportunities. ETF staff also goes into high schools in the region to provide information on the scholarship funds it manages, as well as to share basic information about the FAFSA (Free Application for Federal Student Aid) form.

ETF staff will work one-on-one with boards of directors, executive directors and programmatic staff to strengthen organizational development efforts, identify other nonprofit partners, convene organizations to develop collaborative work and joint applications. We, at ETF, are also available to give basic information about fundraising and the development of a strategy for creating a diverse donor base. One of ETF’s roles is to assist organizations as they emerge and to provide encouragement and internal skill development as they seek funds from other donors which may include other public and private foundations.

A call to ETF with a request for assistance is all that is required! As part of its service to donors and people in our region, ETF’s mission is to improve lives through thoughtful giving. To encourage and promote thoughtful giving, a healthy, vital nonprofit sector must be in place! And now you know the story. Technical assistance is an important investment for all of us to make in this place we call home.

For more information please visit us on the web: www.easttennesseefoundation.org or contact Terry Holley, Jan Elston or Beth Heller at the Foundation.

**UPCOMING WORKSHOPS AND GRANT DEADLINES**

| November 5, 2009: | Youth Endowment Fund Workshop Knoxville at the Public Defender’s Offices |
| November 6, 2009: | Youth Endowment Fund Workshop (Deadline is December 4, 2009) Johnson City at the Johnson City Public Library |
| October 21-November 23, 2009: | Nine High School Scholarship Workshops in five counties |
| Spring 2010: | Mt. Rest Fund & Neighborhoods Small Grants Workshops |
HARRIS FUND GRANTS

Harris Fund for Washington County
An Affiliate Fund of East Tennessee Foundation
2009 Grant Awards

The Harris Fund for Washington County was endowed by Ms. Eva Stanley Harris, a Washington County native, in memory of the Harris Family of Johnson City, to honor their spirit of philanthropy and legacy of community service. The Fund encourages creative use of area resources and promotes the improvement of the quality of life of Washington County residents.

Academy of Strings
The Financial Aid Program provides assistance to families, and the Community Service Concert Series presents free student performances in the community.

CASA of Northeast Tennessee
CASA volunteer advocates will give CASA bears to the children that they serve.

CASA of Northeast Tennessee

Fairmont Elementary School
A fitness station will be available to students in conjunction with the school’s physical activity and nutritional education programs.

First Tennessee Human Resource Agency
Safe Passage, a safe haven for women and children experiencing domestic violence, will provide victims with their own pillows and pillow cases.

Frontier Health
The Family Links Respite Summer Camp will be available for children with severe emotional disturbances.

Girls Incorporated of Johnson City/Washington County
Girls who participate in the Healthy Girls Initiative will learn about and participate in nutrition and physical fitness activities.

Girls Incorporated of Johnson City/Washington County

Good Samaritan Ministries, Inc.
The “Back 2 School Educational Program” will provide low-income children with a backpack, school supplies, clothing and shoes.

Hands On! Regional Museum
The “Maze-A-Palooza” feature exhibit will engage children and caregivers in problem-solving activities.

Johnson City Area Arts Council
A historic markers project will educate the community and preserve the visions and memories of the historic Downtown.

Keystone Dental Care, Inc.
Dental treatment will be provided for indigent residents who cannot afford to pay basic dental fees.

Mountain View Elementary School
“Grand Friends, Great Friends” is an intergenerational mentoring program in which students will visit and interact with residents at Pine Oaks Assisted Living Center.

Neighborhood Reconciliation Services, Inc.
Elementary, middle and high school students who participate in the Truancy Program will explore the reasons for their truant behaviors and learn to resolve those issues.

Rocky Mount Historical Association
A student subsidy grant program will help make field trips to Rocky Mount more affordable for students at Johnson City and Washington County schools.

Coalition for Kids, Inc.
The Awesome Kids Club – Armistades after-school program at South Side Elementary School provides tutoring and nutritious snacks for children.

David Crockett High School
Photography students will participate in “Scanning Our Past to Preserve for the Future,” which will culminate in a photography exhibit at the Jonesborough Visitors Center.

East Tennessee Regional Symphony
Students will attend a symphony performance of Peter and the Wolf in collaboration with the City Youth Ballet of Johnson City and the Milligan College Orchestra.

Harris Fund Grants - continued on page 8
Connections

MOUNT REST FUND GRANTS

Mount Rest Fund
2009 Grant Awards

In 1894, Mount Rest Home began in Knoxville as a residence for elderly ladies who had very little funds or family to care for them. The devoted women of the board of Mount Rest Home tended to every need of the house and the ladies who lived there. Although the lovely home eventually closed, many daughters and granddaughters of the original board members have continued to provide for the welfare of women and children in Knox County. They established the Mount Rest Foundation in 1994 and then the Mount Rest Fund of East Tennessee Foundation in 2004 to continue to secure their families’ legacy of caring for Knox County’s women and children.

Big Brothers Big Sisters of Tennessee Valley, Inc.
The School-Based Mentoring Program will unite at-risk youth in Knoxville’s inner-city schools with long-term mentors.

Catholic Charities of East Tennessee
The Columbus Home Assisting Parents (CHAP) program will provide in-home services to parents having difficulty creating or maintaining a stable home for their children.

Crutcher Memorial Youth Enrichment Center
The Reading Counts! Reading Program is an after-school enrichment program for inner-city youth in East Knoxville.

Florence Crittenton Agency
First-time teen parents in Knox County high schools will participate in the Child and Parenting Skills (CAPS) program, an education and support group.

Hearing and Speech Foundation
The Indigent Care Program will provide opportunities for disadvantaged women or children to receive hearing and speech services that they would otherwise be unable to afford.

InterFaith Health Clinic
Medical care, dental care and mental health counseling will be provided for working uninsured women and children.

Knoxville-Knox County Council on Aging
The Mobile Meals program will deliver nutritional meals to senior citizens while providing daily visits by a volunteer.

The Ladies of Charity
An emergency food pantry will provide food and baby formula directly to clients, five days per week at the same location.

Lisa Ross Birth and Women’s Center
CenteringPregnancy will provide prenatal care for moms-to-be with similar due dates, in a group setting.

Tribe One
Middle and high school-age girls who are at-risk of joining gangs and committing crimes will receive academic and moral support, and opportunities to artistically express themselves in a recording studio.

The Wellness Community of East Tennessee
The Ovarian Cancer Network will provide a support group for women with gynecologic cancer diagnoses.

YWCA of Knoxville
The Transitional Housing Program will help homeless women to develop skills for self-sufficiency.

TOTAL AMOUNT OF FUNDING AWARDED: $98,000
A NOBLE ATTRIBUTE

A wealthy person (A) gave $5,000 in charitable gifts last year. A not-so-wealthy person (B) gave $15,000 in charitable gifts last year. Which person was more generous?

We don’t know, do we? Person A may have had his money invested with Bernie Madoff, and he had to dig really deep to come up with $5,000. Person B, on the other hand, may have inherited $200,000, and he found it quite easy to give $15,000 out of his windfall.

We dare not judge another person’s generosity quotient, because we have no idea what circumstances they are facing. We can only see to it that we measure up to our own standards of generosity, driven by our inborn desire to share our blessings with organizations that meet needs and with people who are less fortunate than we are. Scientific research confirms that generous individuals have fewer emotional and mental problems than most people. That’s because they are following their natural instincts.

Generosity is not defined in terms of rewards, publicity, or even tax breaks for the giver, but in terms of value received by and needs met for the beneficiary.

There are times when you and I benefit from another person’s charitable act and we have no way of thanking them or returning the favor. We may not know the identity of our benefactor, or he may no longer be living. In such cases, we should try to “pay it forward.” This concept is based on the premise that you show your gratitude by doing an unsolicited act of kindness for someone who is not expecting anything from you.

Who might we use as a role model for generosity? One good example is R.G. LeTourneau; during World War II, his company produced seventy percent of the U.S. Army’s earth-moving machinery. Feeling extremely blessed with his prosperity, LeTourneau gave ninety percent of his profits to charitable causes.

Have you heard of Oseola McCarty? She was a sixth-grade graduate in Hattiesburg, Mississippi, and she washed and ironed clothes for the wealthy for seventy-five years. Every time she got paid for her services, she set aside a little bit in a savings account. At the age of 89, she gave $150,000 to the University of Southern Mississippi to provide scholarship assistance for needy African-American students.

If you are reading this article, chances are pretty good that you are an excellent example of generosity yourself. You are sensitive to needs around you, and you do what you can to address those needs. We are blessed in East Tennessee to have many people like you. Those of us who are fortunate enough to work at East Tennessee Foundation see proof of your generosity on a daily basis. On behalf of the entire staff, I want to thank you for what you do to make our service area such a wonderful place in which to live. It’s people like you who renew our faith in the inherent charitable nature of folks living in East Tennessee.
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To receive Charitable Strategies, a free bi-monthly e-newsletter, send your request to bcalloway@etf.org.

Confirmed in Compliance with National Standards for U.S. Community Foundations

Harris Fund Grants - continued from page 5

Science Hill High School Band Boosters, Inc.
Master Musicians Teach Master Classes will benefit students who play a wind or percussion instrument in the Science Hill High School Band.

Second Harvest Food Bank of Northeast Tennessee
The Kids Café Nutrition and Wellness Program will help improve healthy eating habits and reduce sedentary lifestyles of children at Coalition for Kids, Boys and Girls Club of Johnson City, and Carver Recreation.

Small Miracles Therapeutic Horseback Riding Center, Inc.
Special education students from Daniel Boone High School will work with horses as a means for enhancing their job skills, self-esteem, and overall development.

TOTAL AMOUNT OF FUNDING AWARDED: $34,000

E-mail and Website Options
To receive this newsletter and other helpful and exciting updates from East Tennessee Foundation, please contact us at etf@etf.org or read it on our website: www.easttennesseefoundation.org.

To have a copy of this newsletter sent to someone, contact us by phone, toll-free (877) 524-1223, (865) 524-1223 or e-mail, etf@etf.org.

Has your contact information changed?
If so, please let us know so we can keep in touch.

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East Tennessee Foundation is a public, nonprofit, community foundation created for the purpose of building charitable resources to make communities stronger and lives better through thoughtful giving.

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East Tennessee Foundation respects, celebrates, and encourages diversity that positively contributes to our healthy and caring community.