

## Kellogg Foundation to Close Two Overseas Offices

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Due to a sharp drop in assets, the W.K. Kellogg Foundation announced this week it is closing two overseas offices and has already shuttered a domestic one.

Kellogg, which has its headquarters in Battle Creek, Mich., said offices in Sao Paulo, Brazil, and Pretoria, South Africa, will shut down this summer. In February, the foundation closed its facility in Jackson, Miss.

“We are trimming budgets in all regions given the reduction in our overall asset base,” Sterling K. Speirn, Kellogg’s chief executive, said in a [statement on its Web site](#). The foundation’s assets declined almost 22 percent last year to \$6.36-billion.

Mr. Speirn said despite the economic situation, Kellogg will continue to support charities in the effected regions and honor all its grant commitments. “Going forward the foundation will allocate funds to nonprofit organizations with a strong local presence, a proven track record, and philosophies that align with those of the foundation,” he said.

As a result of the closings, the foundation is laying off 13 people in Africa, said Joanne K. Krell, vice president of communications for the foundation. Any staff changes in Brazil and Mississippi are “in transition” and not set, she said.

Closing the three offices will generate several millions of dollars for the foundation. The foundation has made similar moves during other rough financial times. Since 1990, Ms. Krell said, Kellogg has closed five other offices primarily due to economic constraints.

Kellogg will continue to maintain one foreign office, in Mexico.

Ms. Krell emphasized that the decision to close the South Africa office is unrelated to a [criminal investigation](#) of possible fraud at that facility. In November, the foundation announced it had discovered “financial irregularities” there and that several hundred thousand dollars may have been stolen. The foundation is conducting a forensic audit of its African operations, which Ms. Krell said is not finished.

Kellogg is not the only foundation that has been forced to close facilities due to budget problems. The Ford Foundation, in New York, last month announced it is closing two foreign offices and laying off 30 people.