

Possible Duplicate Return

2006

Open to Public Inspection

Form 990

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)

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

Department of the Treasury Internal Revenue Service

A For the 2006 calendar year, or tax year beginning , and ending

- B Check if applicable. X Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization: Illinois Policy Institute, 718 S 7th Street, Springfield, IL 62703

D Employer identification number: 41-2057028, E Telephone number: 217-544-4759, F Accounting method: X Cash

G Website: illinoispolicyinstitute.org

J Organization type (check only one) X 501(c)(3)

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? X No, H(b) If "Yes," enter number of affiliates, H(c) Are all affiliates included? X No, H(d) Is this a separate return filed by an organization covered by a group ruling? X No

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 109,342

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

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes revenue lines 1-12 and expense lines 13-17, ending with net assets of -8,848.

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	42,500	21,250	10,625	10,625
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	0	0	0	0
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	49,827	26,327	15,667	7,833
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	0			
29	Payroll taxes	4,183	2,156	1,191	836
30	Professional fundraising fees	6,484			6,484
31	Accounting fees	2,920		2,920	
32	Legal fees	0			
33	Supplies	1,227	726	501	
34	Telephone	3,107	1,671	1,436	
35	Postage and shipping	1,349	298	263	788
36	Occupancy	0			
37	Equipment rental and maintenance	0			
38	Printing and publications	1,031	843	127	61
39	Travel	2,882	1,908	978	
40	Conferences, conventions, and meetings	2,349	2,349		
41	Interest	0			
42	Depreciation, depletion, etc. (attach schedule)	1,336	1,305	31	0
43	Other expenses not covered above (itemize):				
a	Bank Charges	171	0	171	0
b	Dues and Subscriptions	2,060	808	627	625
c	General fees	505	0	505	0
d	Gifts	67	0	67	0
e	Web Design and Hosting	2,588	2,588	0	0
f		0	0	0	0
g		0	0	0	0
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	124,586	62,227	35,107	27,252

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? Public policy research and education	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
<p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p> <p>a More than 50 research products were released comprising of short briefs, commentaries, and policy studies. Hosted more than 50 conference calls on free market issues. Spoke at conference in cities around Illinois, Washington D.C. and Nashville and Milwaukee. Persons benefited are the general public, press, and state officials.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	62,227
<p>b</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	0
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) <input type="checkbox"/></p>	62,227

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	9,303	45	1,853
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a	0	
	b Less: allowance for doubtful accounts	47b	0	47c 0
	48 a Pledges receivable	48a	0	
	b Less: allowance for doubtful accounts	48b	0	48c 0
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		28	50a 0
	b Receivables from other disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51 a Other notes and loans receivable (attach schedule)	51a	0	
	b Less: allowance for doubtful accounts	51b	0	51c 0
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges			53
	54 a Investments—publicly-traded securities.	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54a 0
	b Investments—other securities (attach schedule).	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54b 0
	55 a Investments—land, buildings, and equipment: basis	55a	0	
	b Less: accumulated depreciation (attach schedule)	55b	0	55c 0
	56 Investments—other (attach schedule)		0	56
	57 a Land, buildings, and equipment: basis	57a	6,581	
b Less: accumulated depreciation (attach schedule)	57b	4,346	57c 3,324 2,235	
58 Other assets, including program-related investments (describe)		0	58 0	
59 Total assets (must equal line 74). Add lines 45 through 58		12,666	59 4,088	
Liabilities	60 Accounts payable and accrued expenses	6,259	60	12,336
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)	0	64a	0
	b Mortgages and other notes payable (attach schedule)	0	64b	0
	65 Other liabilities (describe M.A. Blankenship)	0	65	600
66 Total liabilities. Add lines 60 through 65		6,259	66 12,936	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	6,396	67	-8,848
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21).		6,396	73 -8,848
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.		12,655	74 4,088

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.) N/A

a	Total revenue, gains, and other support per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		0
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	0
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		0
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	0

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A

a	Total expenses and losses per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		0
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	0
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		0
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	0

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 & deferred compensation plans	(E) Expense account and other allowances
Name Gregory Blankensl Str 718 S 7th St, Apt 10 City Springfield ST IL ZIP 62703	Title Chmn & Exec Di Hr/WK 40	42,500	0	0
Name Kevin Spudic Str 209 Wicks Ln, Apt 5 City Billings ST MT ZIP 59105	Title Treasurer Hr/WK	0	0	0
Name Terry Campo Str 1805 Crystal Dr, Apt City Arlington ST VA ZIP 22203	Title Vice Chairman Hr/WK	0	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 3
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) 75b X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." 75c X
If "Yes," attach a statement that includes the information described in the instructions.
d Does the organization have a written conflict of interest policy? 75d X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (if any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Rows contain 'N/A' for all entries.

Part VI Other Information (See the instructions.)

Yes No

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77 X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
b If "Yes," has it filed a tax return on Form 990-T for this year? 78b X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a X
b If "Yes," enter the name of the organization and check whether it is [] exempt or [] nonexempt
81 a Enter direct and indirect political expenditures. (See line 81 instructions.) B1a 0
b Did the organization file Form 1120-POL for this year? 81b X

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (8) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b N/A	
c	Dues, assessments, and similar amounts from members	85c N/A	
d	Section 162(e) lobbying and political expenditures	85d N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> N/A ; section 4912 <input type="checkbox"/> N/A ; section 4955 <input type="checkbox"/> N/A		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	<input type="checkbox"/> N/A	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	<input type="checkbox"/> N/A	
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
89g			X
90 a	List the states with which a copy of this return is filed	<input type="checkbox"/> IL	
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	4
91 a	The books are in care of <input type="checkbox"/> Name Gregory Blankenship Telephone no <input type="checkbox"/> 217-544-4759 Located at <input type="checkbox"/> 718 S 7th St City Springfield ST IL ZIP + 4 <input type="checkbox"/> 62703		
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)? If "Yes," enter the name of the foreign country <input type="checkbox"/>	91b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued)

Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
If "Yes," enter the name of the foreign country ▶
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	26	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
104 Subtotal (add columns (B), (D), and (E))		0		26	0
105 Total (add line 104, columns (B), (D), and (E))					26

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percent ownership	(C)	(D)	(E)
N/A				

Part X Information Regarding Transfers Associated with

- (a) Did the organization, during the year, receive any funds, directly or indirectly,
 - (b) Did the organization, during the year, pay premiums, directly or indirectly,
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				0

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				0

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	✓

Please 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: *Gregory Blankenship* Date: *11 Mar 07*

Gregory Blankenship, Exec Dir
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: <i>Gregory Blankenship</i>	Date: <i>5/11/07</i>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4: <i>Rational Numbers, Inc. 601 W Monroe, Springfield, IL 62704</i>	EIN: <i>37 1285307</i>	Phone no.: <i>(217) 525-0700</i>	

MIA