

# 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)

**Open to Public Inspection**

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

**A For the 2007 calendar year, or tax year beginning** \_\_\_\_\_, **and ending** \_\_\_\_\_

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

**C Name of organization**  
 Illinois Policy Institute  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
 718 S 7th Street 102  
 City or town State or country ZIP + 4  
 Springfield IL 62703

**D Employer identification number**  
 41-2057028

**E Telephone number**  
 217-544-4759

**F Accounting method.**  Cash  Accrual  
 Other (specify) ▶

**G Website:** ▶ illinoispolicyinstitute.org

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  4947(a)(1) or  527

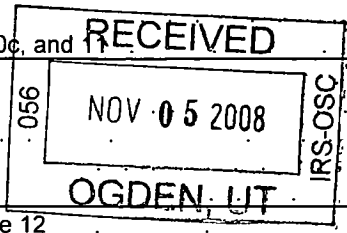
**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 341,750

**H and I are not applicable to section 527 organizations**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates ▶ \_\_\_\_\_  
**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number ▶ \_\_\_\_\_  
**M** Check  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)**

	Description		Amount
Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received		
	<b>a</b> Contributions to donor advised funds	1a	0
	<b>b</b> Direct public support (not included on line 1a)	1b	341,496
	<b>c</b> Indirect public support (not included on line 1a)	1c	0
	<b>d</b> Government contributions (grants) (not included on line 1a)	1d	0
	<b>e Total</b> (add lines 1a through 1d) (cash \$ 341,496 noncash \$ 0)	1e	341,496
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2	0
	<b>3</b> Membership dues and assessments	3	0
	<b>4</b> Interest on savings and temporary cash investments	4	254
	<b>5</b> Dividends and interest from securities	5	0
	<b>6 a</b> Gross rents	6a	
	<b>b</b> Less rental expenses	6b	
	<b>c</b> Net rental income or (loss) Subtract line 6b from line 6a	6c	0
<b>7</b> Other investment income (describe )	7	0	
Revenue	<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities	0
	<b>b</b> Less cost or other basis and sales expenses	(B) Other	403
	<b>c</b> Gain or (loss) (attach schedule)	8a	0
	<b>d</b> Net gain or (loss) Combine line 8c, columns (A) and (B)	8b	-403
Revenue	<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	8c	-403
	<b>a</b> Gross revenue (not including \$ 0 of contributions reported on line 1b)	9	
	<b>b</b> Less direct expenses other than fundraising expenses	9a	0
	<b>c</b> Net income or (loss) from special events Subtract line 9b from line 9a	9b	0
Revenue	<b>10 a</b> Gross sales of inventory, less returns and allowances	9c	0
	<b>b</b> Less cost of goods sold	10a	0
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10b	0
Revenue	<b>11</b> Other revenue (from Part VII, line 103)	10c	0
	<b>12 Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	11	0
	<b>13</b> Program services (from line 44, column (B))	12	341,347
	<b>14</b> Management and general (from line 44, column (C))	13	209,817
	<b>15</b> Fundraising (from line 44, column (D))	14	37,218
Expenses	<b>16</b> Payments to affiliates (attach schedule)	15	38,604
	<b>17 Total expenses.</b> Add lines 16 and 44, column (A)	16	0
	<b>18</b> Excess or (deficit) for the year. Subtract line 17 from line 12	17	285,639
Net Assets	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	18	55,708
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	19	-8,848
	<b>21</b> Net assets or fund balances at end of year Combine lines 18, 19, and 20	20	0
		21	46,860



**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.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22 a</b>	Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
<b>22 b</b>	Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
<b>23</b>	Specific assistance to individuals (attach schedule)	0	0		
<b>24</b>	Benefits paid to or for members (attach schedule)	0	0		
<b>25 a</b>	Compensation of current officers, directors, key employees, etc. listed in Part V-A	112,666	87,400	9,633	15,633
<b>b</b>	Compensation of former officers, directors, key employees, etc. listed in Part V-B	0	0	0	0
<b>c</b>	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)	0	0	0	0
<b>26</b>	Salaries and wages of employees not included on lines 25a, b, and c	40,000	40,000		
<b>27</b>	Pension plan contributions not included on lines 25a, b, and c	0			
<b>28</b>	Employee benefits not included on lines 25a – 27	1,707	1,707	0	0
<b>29</b>	Payroll taxes	12,588	10,574	755	1,259
<b>30</b>	Professional fundraising fees	0			
<b>31</b>	Accounting fees	2,918		2,918	
<b>32</b>	Legal fees	0			
<b>33</b>	Supplies				
<b>34</b>	Telephone	3,335	1,875	1,192	268
<b>35</b>	Postage and shipping				
<b>36</b>	Occupancy	0			
<b>37</b>	Equipment rental and maintenance	0			
<b>38</b>	Printing and publications				
<b>39</b>	Travel	8,924	6,192	2,366	366
<b>40</b>	Conferences, conventions, and meetings				
<b>41</b>	Interest				
<b>42</b>	Depreciation, depletion, etc. (attach schedule)	936	0	936	0
<b>43</b>	Other expenses not covered above (itemize)				
<b>a</b>	See attached statement	102,565	62,069	19,418	21,078
<b>b</b>	-----	0	0	0	0
<b>c</b>	-----	0	0	0	0
<b>d</b>	-----	0	0	0	0
<b>e</b>	-----	0	0	0	0
<b>f</b>	-----	0	0	0	0
<b>g</b>	-----	0	0	0	0
<b>44</b>	<b>Total functional expenses.</b> Add lines 22a through 43g (Organizations completing columns (B)–(D), carry these totals to lines 13–15)	285,639	209,817	37,218	38,604

**Joint Costs.** Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported (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? <b>Public policy research and education</b> 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)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<b>a</b> 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 and Washington DC. Persons benefited are the general public, press and state officials. (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	209,817
<b>b</b> (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>c</b> (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>d</b> (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ 0 ) If this amount includes foreign grants, check here <input type="checkbox"/>	0
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	209,817

**Part IV Balance Sheets** (See the instructions)

				(A)		(B)
				Beginning of year		End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
<b>Assets</b>	<b>45</b> Cash—non-interest-bearing			1,853	<b>45</b>	
	<b>46</b> Savings and temporary cash investments				<b>46</b>	46,597
	<b>47 a</b> Accounts receivable	<b>47a</b>	0			
	<b>b</b> Less allowance for doubtful accounts	<b>47b</b>	0	0	<b>47c</b>	0
	<b>48 a</b> Pledges receivable	<b>48a</b>	0			
	<b>b</b> Less allowance for doubtful accounts	<b>48b</b>	0	0	<b>48c</b>	0
	<b>49</b> Grants receivable				<b>49</b>	
	<b>50 a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			0	<b>50a</b>	0
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				<b>50b</b>	
	<b>51 a</b> Other notes and loans receivable (attach schedule)	<b>51a</b>	0			
	<b>b</b> Less allowance for doubtful accounts	<b>51b</b>	0	0	<b>51c</b>	0
	<b>52</b> Inventories for sale or use				<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges				<b>53</b>	
	<b>54 a</b> Investments—publicly-traded securities	<input type="checkbox"/> Cost	<input type="checkbox"/> FMV	0	<b>54a</b>	0
	<b>b</b> Investments—other securities (attach schedule)	<input type="checkbox"/> Cost	<input type="checkbox"/> FMV	0	<b>54b</b>	0
	<b>55 a</b> Investments—land, buildings, and equipment basis	<b>55a</b>	0			
	<b>b</b> Less accumulated depreciation (attach schedule)	<b>55b</b>	0	0	<b>55c</b>	0
	<b>56</b> Investments—other (attach schedule)			0	<b>56</b>	0
	<b>57 a</b> Land, buildings, and equipment basis	<b>57a</b>	5,747			
	<b>b</b> Less accumulated depreciation (attach schedule)	<b>57b</b>	4,635	2,235	<b>57c</b>	1,112
<b>58</b> Other assets, including program-related investments (describe )			0	<b>58</b>	0	
<b>59 Total assets</b> (must equal line 74) Add lines 45 through 58			4,088	<b>59</b>	47,709	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses			12,336	<b>60</b>	
	<b>61</b> Grants payable				<b>61</b>	
	<b>62</b> Deferred revenue				<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)			0	<b>63</b>	0
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule)			0	<b>64a</b>	0
	<b>b</b> Mortgages and other notes payable (attach schedule)			0	<b>64b</b>	0
	<b>65</b> Other liabilities (describe M.A. Blankenship )			600	<b>65</b>	600
<b>66 Total liabilities.</b> Add lines 60 through 65			12,936	<b>66</b>	600	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/>		and complete lines 67 through 69 and lines 73 and 74			
	<b>67</b> Unrestricted			-8,848	<b>67</b>	47,109
	<b>68</b> Temporarily restricted				<b>68</b>	
	<b>69</b> Permanently restricted				<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/>		and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds				<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund				<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds				<b>72</b>	
<b>73 Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)			-8,848	<b>73</b>	47,109	
<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73.			4,088	<b>74</b>	47,709	

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

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

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line a but not on Part I, line 17			
<b>1</b>	Donated services and use of facilities	<b>b1</b>		
<b>2</b>	Prior year adjustments reported on Part I, line 20	<b>b2</b>		
<b>3</b>	Losses reported on Part I, line 20	<b>b3</b>		
<b>4</b>	Other (specify) _____	<b>b4</b>		0
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	0
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	0
<b>d</b>	Amounts included on Part I, line 17, but not on line a:			
<b>1</b>	Investment expenses not included on Part I, line 6b	<b>d1</b>		
<b>2</b>	Other (specify) _____	<b>d2</b>		0
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	0
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>		<b>e</b>	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 Street, Apt City Springfield ST IL ZIP 62703	Title President Hr/WK 40	72,666	1,016	0
Name John Tillman Str 52 Briar Rd City Golf ST IL ZIP 60029	Title CEO, Chairman Hr/WK 40	40,000	691	0
Name Kevin Spudic Str 209 Wicks Lane City Billings ST MT ZIP 59105	Title Secretary Hr/WK	0	0	0
Name Terry Campo Str 1805 Crystal Dr City Arlington ST VA ZIP 22203	Title Treasurer Hr/WK	0	0	0
Name Karen Bailey Str 1425 A Street NE City Washington ST DC ZIP 20002	Title Director 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			

<b>Part V-A</b>	<b>Current Officers, Directors, Trustees, and Key Employees</b> <i>(continued)</i>	Yes	No
<b>75 a</b>	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <span style="float: right;">5</span>		
<b>b</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)	<b>75b</b>	X
<b>c</b>	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" If "Yes," attach a statement that includes the information described in the instructions.	<b>75c</b>	X
<b>d</b>	Does the organization have a written conflict of interest policy?	<b>75d</b>	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.)

(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
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST ZIP _____				

<b>Part VI</b>	<b>Other Information</b> <i>(See the instructions)</i>	Yes	No
<b>76</b>	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change.	<b>76</b>	X
<b>77</b>	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.	<b>77</b>	X
<b>78 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>	X
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	<b>78b</b>	X
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.	<b>79</b>	X
<b>80 a</b>	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?	<b>80a</b>	X
<b>b</b>	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81 a</b>	Enter direct and indirect political expenditures (See line 81 instructions)	<b>81a</b>	
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year?	<b>81b</b>	X

Part VI Other Information (continued)

		Yes	No
<b>82 a</b>	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>b</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		
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
<b>85</b>	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?		
<b>b</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	N/A	
<b>c</b>	Dues, assessments, and similar amounts from members	85c	N/A
<b>d</b>	Section 162(e) lobbying and political expenditures	85d	N/A
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
<b>h</b>	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
<b>86</b>	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities	86b	
<b>87</b>	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
<b>88 a</b>	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>b</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
<b>89 a</b>	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 N/A, section 4912 N/A, section 4955 N/A		
<b>b</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
<b>c</b>	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
<b>d</b>	Enter Amount of tax on line 89c, above, reimbursed by the organization		N/A
<b>e</b>	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
<b>f</b>	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
<b>g</b>	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
<b>90 a</b>	List the states with which a copy of this return is filed IL		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	90b	2
<b>91 a</b>	The books are in care of Name Gregory Blankenship Telephone no 217-544-4759 Located at 718 S 7th Street City Springfield ST IL ZIP + 4 62703		
<b>b</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 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X
		Yes	No

**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  Yes  No  
 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 N/A

**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	254	
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		-403			
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		-403		254	0
105 Total (add line 104, columns (B), (D), and (E))					-149

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)
▼	N/A

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%		0	0
	%		0	0
	%		0	0
	%		0	0

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions)

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

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	----- -----			
<b>Totals</b>				<b>0</b>

**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	----- -----			
<b>Totals</b>				<b>0</b>

**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
	✓

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.

<b>Please Sign Here</b>	Signature of officer	128 Oct 08 Date
	<b>Gregory Blankenship, President</b> Type or print name and title	

<b>Paid Preparer's Use Only</b>	Preparer's signature 	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>Rational Numbers, Inc.</b> <b>3205 Lobell Drive, Springfield, IL 6</b>
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**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization Illinois Policy Institute	Employer identification number 41-2057028
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**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are 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 & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶		0		

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms). If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		0

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶		0

**Part III** Statements About Activities (See page 2 of the instructions)

Yes No

**1** During the year, has the organization attempted to influence national, state, or local legislation, including a attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ \_\_\_\_\_ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

**1** X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities

**2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, major owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

**a** Sale, exchange, or leasing of property?

**2a** X

**b** Lending of money or other extension of credit?

**2b** X

**c** Furnishing of goods, services, or facilities?

**2c** X

**d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

**2d** X

**e** Transfer of any part of its income or assets?

**2e** X

**3 a** Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)

**3a**

**b** Did the organization have a section 403(b) annuity plan for its employees?

**3b** X

**c** Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

**3c** X

**d** Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

**3d** X

**4 a** Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

**4a** X

**b** Did the organization make any taxable distributions under section 4966?

**4b**

**c** Did the organization make a distribution to a donor, donor advisor, or related person?

**4c**

**d** Enter the total number of donor advised funds owned at the end of the tax year ▶ \_\_\_\_\_

**e** Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ \_\_\_\_\_

**f** Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment amounts in such funds or accounts ▶ \_\_\_\_\_

**g** Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ \_\_\_\_\_

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check or **ONE** applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A federal, state or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iv) (Enter the hospital's name, city, and state ▶ ..... City ..... ST ..... Country .....
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(ii) (Also complete the **Support Schedule** in Part IV-A )
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 11 b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 12  An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from business-acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets requirements of section 509(a)(3) Check the box that describes the type of supporting organization  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions )

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
					0
					0
					0
					0
					0
					0
<b>Total</b>					<b>0</b>

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 of the instruction)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting**

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	109,316	156,885	82,467	13,487	362,155
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					0
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	26	28			54
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	109,342	156,913	82,467	13,487	362,209
24 Line 23 minus line 17	109,342	156,913	82,467	13,487	362,209
25 Enter 1% of line 23	1,093	1,569	825	135	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 7,244
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded 1 amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b 70,512
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 362,209
d Add Amounts from column (e) for lines 18 <u>54</u> 19 _____ 22 _____ 26b <u>70,512</u>					26d 70,566
e Public support (line 26c minus line 26d total)					26e 291,643
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 80.52%
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year				
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals Do not file this list with your return. After computing the difference between the amount received and the larger amount described (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ and line 27b total _____					27c 0
d Add Line 27a total _____ and line 27b total _____					27d 0
e Public support (line 27c total minus line 27d total)					27e 0
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.00%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief descriptor the nature of the grant Do not file this list with your return. Do not include these grants in line 15					

**Part V Private School Questionnaire** (See page 9 of the instructions.)  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admission programs, and scholarships?		
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
-----		
-----		
-----		
<b>32</b> Does the organization maintain the following		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
-----		
-----		
<b>33</b> Does the organization discriminate by race in any way with respect to		
<b>a</b> Students' rights or privileges?		
<b>b</b> Admissions policies?		
<b>c</b> Employment of faculty or administrative staff?		
<b>d</b> Scholarships or other financial assistance?		
<b>e</b> Educational policies?		
<b>f</b> Use of facilities?		
<b>g</b> Athletic programs?		
<b>h</b> Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
-----		
-----		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 401 through 404 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions )  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group      Check **b**  if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred )

		(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	0
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	0
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is—      The lobbying nontaxable amount is— Not over \$500,000      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000      \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000      \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000      \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000      \$1,000,000	<b>41</b>	
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	0
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>	0
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	0

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 on page 13 of the instructions )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b>	Lobbying nontaxable amount				0
<b>46</b>	Lobbying ceiling amount (150% of line 45(e))				0
<b>47</b>	Total lobbying expenditures				0
<b>48</b>	Grassroots nontaxable amount				0
<b>49</b>	Grassroots ceiling amount (150% of line 48(e))				0
<b>50</b>	Grassroots lobbying expenditures				0

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions )

During the year, did the organization attempt to influence national, state or local legislation, including an attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
  - b Paid staff or management (Include compensation in expenses reported on lines through h.)
  - c Media advertisements
  - d Mailings to members, legislators, or the public
  - e Publications, or published or broadcast statements
  - f Grants to other organizations for lobbying purposes
  - g Direct contact with legislators, their staffs, government officials, or a legislative body
  - h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
  - i Total lobbying expenditures (Add lines through h.)
- If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activity

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0





**Sales of Business Property**  
**(Also Involuntary Conversions and Recapture Amounts**  
**Under Sections 179 and 280F(b)(2))**  
 ▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return: **Illinois Policy Institute** Identifying number: **41-2057028**

**1** Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-C (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
<b>2</b> Gateway laptop 2	6/12/2005	5/7/2007	0	647	1,050	-403
						0
						0

**3** Gain, if any, from Form 4684, line 39 3

**4** Section 1231 gain from installment sales from Form 6252, line 26 or 37 4

**5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824 5

**6** Gain, if any, from line 32, from other than casualty or theft 6

**7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows 7 **-403**

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

**8** Nonrecaptured net section 1231 losses from prior years (see instructions) 8

**9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as long-term capital gain on the Schedule D filed with your return (see instructions) 9

**Part II Ordinary Gains and Losses (see instructions)**

**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

						0
						0
						0

**11** Loss, if any, from line 7 11 ( **403**)

**12** Gain, if any, from line 7 or amount from line 8, if applicable 12

**13** Gain, if any, from line 31 13

**14** Net gain or (loss) from Form 4684, lines 31 and 38a 14

**15** Ordinary gain from installment sales from Form 6252, line 25 or 36 15

**16** Ordinary gain or (loss) from like-kind exchanges from Form 8824 16

**17** Combine lines 10 through 16 17 **-403**

**18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions. 18a

**b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 104 line 14. 18b **0**

Form **4562**

# Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

2007

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.      ▶ Attach to your tax return.

Attachment  
Sequence No **67**

Name(s) shown on return Illinois Policy Institute	Business or activity to which this form relates 990	Identifying number 41-2057028
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**Part I Election To Expense Certain Property Under Section 179**

*Note: If you have any listed property, complete Part V before you complete Part I*

1 Maximum amount See the instructions for a higher limit for certain businesses	<b>1</b>	125,000
2 Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
3 Threshold cost of section 179 property before reduction in limitation	<b>3</b>	500,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	<b>4</b>	0
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	<b>5</b>	125,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
<b>6</b>		
7 Listed property Enter the amount from line 29	<b>7</b>	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	<b>8</b>	0
9 Tentative deduction Enter the smaller of line 5 or line 8	<b>9</b>	0
10 Carryover of disallowed deduction from line 13 of your 2006 Form 4562	<b>10</b>	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	<b>11</b>	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	0
13 Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	<b>13</b>	0

*Note: Do not use Part II or Part III below for listed property. Instead, use Part V*

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)**

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	<b>14</b>	
15 Property subject to section 168(f)(1) election	<b>15</b>	
16 Other depreciation (including ACRS)	<b>16</b>	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2007	<b>17</b>	189
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19 a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property		215	7	HY	200DB	31
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs		S/L	
<b>h</b> Residential rental property			27 5 yrs.	MM	S/L	
<b>i</b> Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System**

<b>20 a</b> Class life					S/L	
<b>b</b> 12-year			12 yrs		S/L	
<b>c</b> 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21 Listed property. Enter amount from line 28	<b>21</b>	716
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	<b>22</b>	936
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2007)

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

<b>24a</b> Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No				<b>24b</b> If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No					
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for dep- reciation (business/ investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
<b>25</b> Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							<b>25</b>		
<b>26</b> Property used more than 50% in a qualified business use									
		%							
		%							
See statement		%					716		
<b>27</b> Property used 50% or less in a qualified business use:									
		%				S/L -			
		%				S/L -			
		%				S/L -			
<b>28</b> Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							<b>28</b>	716	
<b>29</b> Add amounts in column (i), line 26 Enter here and on line 7, page 1								<b>29</b>	0

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicle

30 Total business/investment miles driven during the year (do not include commuting miles)	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6						
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employee. See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
<b>Note:</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2007 tax year (see instructions)					
<b>43</b> Amortization of costs that began before your 2007 tax year					<b>43</b>
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report					<b>44</b>
					0

**Line 1 (990) - Public Support and Contributions**

	Cash	Non Cash
<b>Line 1a</b> - Contributions to Donor Advised Funds		
<b>Line 1b</b> - Direct public support		
1 Contributions	341,496	1
2 Membership dues and assessments (contributions from the public)		2
3 Commercial co-venture		3
4 Special events contributions (Line 9 - Special Events)	0	4
5		5
6		6
7		7
8		8
9		9
10 Total	341,496	10 0
<b>Line 1c</b> - Indirect public support		
<b>Line 1d</b> - Government contributions (grants)		



**Part II, Line 43 (990) - Other Expenses**

102,565

62,069

19,418

21,078

Description		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
1	Outside consulting	51,374	28,458	15,408	7,508
2	Development expenses	4,786	877		3,909
3	Dues and subscriptions	1,798	1,350	91	357
4	Unemployment taxes	12,149	10,205	729	1,215
5	Website expenses	12,270	12,270		
6	H/Grass Roots Educations	3,000	3,000		
7	Professional dues	600	600		
8	Office expenses	8,528	1,424	673	6,431
9	Meetings	6,115	3,885	572	1,658
10	Other expenses	1,945		1,945	
11		0			
12		0			
13		0			
14		0			
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			



**Part IV, Line 65 (990) - Other Liabilities**

600

600

	Description	Beginning	End
1	M A Blankenship	600	600
2			
3			
4			
5			
6			
7			
8			
9			
10			



**Form 4562 Statement - 990**

**12/31/2007**

Item No	Description of Property	Date Placed In Service	Asset Code	Bus Use %	Cost or Other Basis	Sec 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec, 179, Bonus	2007 Deprec	2007 Accum Deprec
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**Listed Property**

**Listed property with more than 50% business use (Line 25 and 26)**

5	Cell Phone	3/14/2002	F-12	100 00%	150	0	0	150	7	200DB	HY	116	13	129
6	Dell comp & monitor	12/31/2003	F-4	100 00%	350	0	0	350	5	200DB	HY	289	40	329
7	Flat Panel Monitor	11/14/2003	F-4	100 00%	400	0	0	400	5	200DB	HY	331	46	377
8	HP Desktop	3/4/2004	F-4	100 00%	825	0	0	825	5	200DB	HY	587	95	682
9	HP laserjet 4	12/31/2003	F-4	100 00%	175	0	0	175	5	200DB	HY	145	20	165
11	Sony Vaio Laptop	12/31/2003	F-4	100 00%	1,500	0	0	1,500	5	200DB	HY	1,241	173	1,414
13	Gateway laptop	6/20/2005	F-4	100 00%	1,185	0	0	1,185	5	200DB	HY	616	228	844
14	Gateway laptop 2	6/12/2005	F-4	100 00%	1,050	0	0	1,050	5	200DB	HY	546	101	647
<b>Total listed prop with &gt; 50% business use</b>					<b>5,635</b>	<b>0</b>	<b>0</b>	<b>5,635</b>				<b>3,871</b>	<b>716</b>	<b>4,587</b>
<b>Subtotal Listed Property</b>					<b>5,635</b>	<b>0</b>	<b>0</b>	<b>5,635</b>				<b>3,871</b>	<b>716</b>	<b>4,587</b>

**Part VI, Line 90a (990) - States with Which a Copy of this Return is Filed**

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<input type="checkbox"/>	Armed Forces the Americas	<input type="checkbox"/>	Louisiana	<input type="checkbox"/>	Palau
<input type="checkbox"/>	Armed Forces Europe	<input type="checkbox"/>	Massachusetts	<input type="checkbox"/>	Rhode Island
<input type="checkbox"/>	Alaska	<input type="checkbox"/>	Maryland	<input type="checkbox"/>	South Carolina
<input type="checkbox"/>	Alabama	<input type="checkbox"/>	Maine	<input type="checkbox"/>	South Dakota
<input type="checkbox"/>	Armed Forces Pacific	<input type="checkbox"/>	Marshall Islands	<input type="checkbox"/>	Tennessee
<input type="checkbox"/>	Arkansas	<input type="checkbox"/>	Michigan	<input type="checkbox"/>	Texas
<input type="checkbox"/>	American Samoa	<input type="checkbox"/>	Minnesota	<input type="checkbox"/>	Utah
<input type="checkbox"/>	Arizona	<input type="checkbox"/>	Missouri	<input type="checkbox"/>	Virginia
<input type="checkbox"/>	California	<input type="checkbox"/>	Commonwealth of the Northern Mariana Islands	<input type="checkbox"/>	U.S. Virgin Islands
<input type="checkbox"/>	Colorado	<input type="checkbox"/>	Mississippi	<input type="checkbox"/>	Vermont
<input type="checkbox"/>	Connecticut	<input type="checkbox"/>	Montana	<input type="checkbox"/>	Washington
<input type="checkbox"/>	District of Columbia	<input type="checkbox"/>	North Carolina	<input type="checkbox"/>	Wisconsin
<input type="checkbox"/>	Delaware	<input type="checkbox"/>	North Dakota	<input type="checkbox"/>	West Virginia
<input type="checkbox"/>	Florida	<input type="checkbox"/>	Nebraska	<input type="checkbox"/>	Wyoming
<input type="checkbox"/>	Federated States of Micronesia	<input type="checkbox"/>	New Hampshire		
<input type="checkbox"/>	Georgia	<input type="checkbox"/>	New Jersey		
<input type="checkbox"/>	Guam	<input type="checkbox"/>	New Mexico		
<input type="checkbox"/>	Hawaii	<input type="checkbox"/>	Nevada		
<input type="checkbox"/>	Iowa	<input type="checkbox"/>	New York		
<input type="checkbox"/>	Idaho	<input type="checkbox"/>	Ohio		
<input checked="" type="checkbox"/>	Illinois	<input type="checkbox"/>	Oklahoma		
<input type="checkbox"/>	Indiana	<input type="checkbox"/>	Oregon		
<input type="checkbox"/>	Kansas	<input type="checkbox"/>	Pennsylvania		
<input type="checkbox"/>	Kentucky	<input type="checkbox"/>	Puerto Rico		

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**Assets by Classification - 990**

12/31/2007

Illinois Policy Institute

41-2057028

Item No	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus Use %	Cost or Other Basis	Sec 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec, 179, Bonus	2007 Deprec	2007 Accum Deprec
<b>5-yr Computers (listed)</b>														
7	Flat Panel Monitor	11/14/2003	F-4	100 00%	400	0	0	400	5	200DB	HY	331	46	377
6	Dell comp & monitor	12/31/2003	F-4	100 00%	350	0	0	350	5	200DB	HY	289	40	329
9	HP laserjet 4	12/31/2003	F-4	100 00%	175	0	0	175	5	200DB	HY	145	20	165
11	Sony Vaio Laptop	12/31/2003	F-4	100 00%	1,500	0	0	1,500	5	200DB	HY	1,241	173	1,414
8	HP Desktop	3/4/2004	F-4	100 00%	825	0	0	825	5	200DB	HY	587	95	682
14	** Gateway laptop 2	6/12/2005	F-4	100 00%	1,050	0	0	1,050	5	200DB	HY	546	101	647
13	Gateway laptop	6/20/2005	F-4	100 00%	1,185	0	0	1,185	5	200DB	HY	616	228	844
Total 5-yr Computers and peripherals (listed property)					5,485	0	0	5,485				3,755	703	4,458
<b>5-yr Computers (not listed)</b>														
1	Wireless Router	12/31/2003	F-5	100 00%	200	0	0	200	5	200DB	HY	165	23	188
Total 5-yr Computers and peripherals (not listed property)					200	0	0	200				165	23	188
<b>5-yr Office mach (data handling)</b>														
2	Antenna	12/31/2003	F-6	100 00%	39	0	0	39	5	200DB	HY	31	4	35
4	Antenna	3/4/2004	F-6	100 00%	40	0	0	40	5	200DB	HY	29	5	34
10	HP Scanner	9/25/2004	F-6	100 00%	150	0	0	150	5	200DB	HY	107	17	124
15	HP Color laser 2600	9/19/2006	F-6	100 00%	360	0	0	360	5	200DB	HY	72	115	187
Total 5-yr Office machinery (data-handling equipment, e					589	0	0	589				239	141	380
<b>7-yr Office furn, fixtures, equip</b>														
3	Altec Comp Speakers	12/31/2003	F-11	100 00%	30	0	0	30	7	200DB	HY	22	3	25
12	Computer Bag	6/12/2005	F-11	100 00%	127	0	0	127	7	200DB	HY	49	22	71
15	Desk	3/15/2007	F-11	100 00%	215	0	0	215	7	200DB	HY	0	31	31
Total 7-yr Office furniture, fixtures and equipment					372	0	0	372				71	56	127
<b>7-yr Cellular telephone (listed)</b>														
5	Cell Phone	3/14/2002	F-12	100 00%	150	0	0	150	7	200DB	HY	116	13	129
Total 7-yr Cellular telephone (listed property)					150	0	0	150				116	13	129
SubTotals					6,796	0	0	6,796				4,346	936	5,282
Less Assets Sold					( 1,050)	( 0)	( 0)	( 1,050)				( 546)	( 101)	( 647)
Ending Totals					5,746	0	0	5,746				3,800	835	4,635

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

<b>Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.</b>	
Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>Illinois Policy Institute</b>
	Employer identification number <b>41-2057028</b>
	Number, street, and room or suite number. If a P.O. box, see instructions. <b>718 South 7th Street, Apt. 305</b>
	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Springfield, IL 62703</b>

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-PF
- Form 1041-A
- Form 6069
- Form 990-BL
- Form 990-T (section 401(a) or 408(a) trust)
- Form 4720
- Form 8870
- Form 990-EZ
- Form 990-T (trust other than above)
- Form 5227

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of. **Greg Blankenship**
- Telephone No. **(217) 544-4759** FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **11/15**, 20**08**.
- For calendar year **2007**, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- State in detail why you need the extension. **Additional information is needed in order to prepare a complete and accurate return.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a \$
8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b \$
8c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs	8c \$

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete, and that I am authorized to prepare this form.

Signature  Title **CPA** Date **8/14/08**

Notice to Applicant. (To be Completed by the IRS)

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested
- Other \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name <b>Cameron, Smith &amp; Company, PC</b>
	Number and street (include suite, room, or apartment number) or a P.O. box number <b>2319 West Jefferson</b>
	City or town, province or state, and country (including postal or ZIP code) <b>Springfield, IL 62702</b>