

Return of Organization Exempt from Income Tax

2003

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

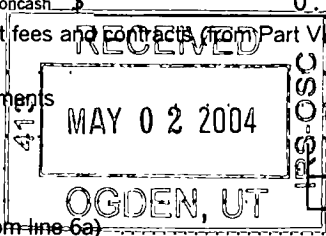
Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2003 calendar year, or tax year beginning 2003, and ending; B Check if applicable; C Name of organization STATE POLICY NETWORK; D Employer Identification Number 57-0952531; E Telephone number (510) 965-9600; F Accounting method: Accrual; G Web site: N/A; J Organization type: 501(c) 3; K Check here; L Gross receipts: 689,747.

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, and Total. Includes revenue from contributions (681,852), program service revenue (4,990), and total revenue (689,747). Expenses include program services (439,126) and total expenses (526,326). Net assets at end of year: 452,983.



SCANNED MAY 10 04

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.

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	Grants and allocations (att sch) (cash \$ 122,000. non-cash \$ 0.)	122,000.	122,000.		
23	Specific assistance to individuals (att sch)	0.	0.		
24	Benefits paid to or for members (att sch)	0.	0.		
25	Compensation of officers, directors, etc	77,000.	47,173.	16,034.	13,793.
26	Other salaries and wages	0.	0.	0.	0.
27	Pension plan contributions	0.	0.	0.	0.
28	Other employee benefits	6,608.	48.	6,546.	14.
29	Payroll taxes	6,100.	3,721.	1,269.	1,110.
30	Professional fundraising fees	0.	0.	0.	0.
31	Accounting fees	10,321.	8,399.	1,291.	631.
32	Legal fees	3,238.	0.	3,238.	0.
33	Supplies	3,024.	2,125.	771.	128.
34	Telephone	5,638.	2,277.	3,258.	103.
35	Postage and shipping	7,943.	5,923.	739.	1,281.
36	Occupancy	0.	0.	0.	0.
37	Equipment rental and maintenance	0.	0.	0.	0.
38	Printing and publications	29,356.	23,195.	2,938.	3,223.
39	Travel	50,500.	42,741.	1,696.	6,063.
40	Conferences, conventions, and meetings	102,062.	97,218.	4,809.	35.
41	Interest	0.	0.	0.	0.
42	Depreciation, depletion, etc (attach schedule)	2,963.	2,411.	371.	181.
43	Other expenses not covered above (itemize).				
a	INSURANCE	6,010.	0.	6,010.	0.
b	CONTRACT SERVICES	42,548.	41,048.	1,000.	500.
c	MISCELLANEOUS	912.	223.	622.	67.
d	INFORMATION RESOURCES	13,977.	9,414.	403.	4,160.
e	See Other Expenses Stmt	36,126.	31,210.	3,226.	1,690.
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	526,326.	439,126.	54,221.	32,979.

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 \$ _____; (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

What is the organization's primary exempt purpose? <input type="checkbox"/> PUBLIC POLICY WORKSHOPS	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a RECRUIT ADJUNCT SCHOLARS WILLING TO SERVE ON THE BOARDS OF ADVISORS OF STATE-BASED THINK TANKS PRODUCE A MEDIA GUIDE FOR USE BY MEMBERS. CREATE AN ECONOMIC AND REGULATORY INDEX WHICH COMPARES DIFFERENT LEVELS OF REGULATION AND TAXATION IN VARIOUS STATES. (Grants and allocations \$ 122,000.)	439,126.
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	439,126.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash – non-interest-bearing	92,063.	45	29,544.	
	46 Savings and temporary cash investments	267,022.	46	434,784.	
	47a Accounts receivable	493.			
	b Less: allowance for doubtful accounts	0.	0.	47c	493.
	48a Pledges receivable			48c	
	b Less: allowance for doubtful accounts			48c	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch)				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges	0.	53		647.
	54 Investments – securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments – land, buildings, & equipment: basis				
	b Less: accumulated depreciation (attach schedule)			55c	
56 Investments – other (attach schedule)			56		
57a Land, buildings, and equipment: basis	14,960.				
b Less: accumulated depreciation (attach schedule)	4,814.	4,481.	57c	10,146.	
58 Other assets (describe ▶ _____)			58		
59 Total assets (add lines 45 through 58) (must equal line 74)	363,566.	59		475,614.	
LIABILITIES	60 Accounts payable and accrued expenses	74,004.	60	22,631.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ▶ _____)		65		
66 Total liabilities (add lines 60 through 65)	74,004.	66		22,631.	
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	201,589.	67	303,877.	
	68 Temporarily restricted	87,973.	68	149,106.	
	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, column (B) must equal line 21)	289,562.	73		452,983.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	363,566.	74		475,614.

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.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)			Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return		
a Total revenue, gains, and other support per audited financial statements	▶	a 689,747.	a Total expenses and losses per audited financial statements	▶	a 526,326.
b Amounts included on line a but not on line 12, Form 990:			b Amounts included on line a but not on line 17, Form 990:		
(1) Net unrealized gains on investments \$			(1) Donated services and use of facilities \$		
(2) Donated services and use of facilities \$			(2) Prior year adjustments reported on line 20, Form 990 \$		
(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify):			(4) Other (specify):		
----- \$			----- \$		
Add amounts on lines (1) through (4)	▶	b	Add amounts on lines (1) through (4)	▶	b
c Line a minus line b	▶	c 689,747.	c Line a minus line b	▶	c 526,326.
d Amounts included on line 12, Form 990 but not on line a:			d Amounts included on line 17, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 \$			(1) Investment expenses not included on line 6b, Form 990 \$		
(2) Other (specify):			(2) Other (specify):		
----- \$			----- \$		
Add amounts on lines (1) and (2)	▶	d	Add amounts on lines (1) and (2)	▶	d
e Total revenue per line 12, Form 990 (line c plus line d)	▶	e 689,747.	e Total expenses per line 17, Form 990 (line c plus line d)	▶	e 526,326.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
CARL O. HELSTROM, III NEW YORK, NY 10165	CHAIRMAN/SEC 0	0.	0.	0.
BYRON S. LAMM FORT WAYNE, IN 46845	TREASURER 0	0.	0.	0.
THEODORE D. ABRAM KLAMATH FALLS, OR 97601	DIRECTOR 0	0.	0.	0.
ALEJANDRO A. CHAFUEN FAIRFAX, VA 22030	DIRECTOR 0	0.	0.	0.
DERWOOD S. CHASE, JR CHARLOTTESVILLE, VA 22902	DIRECTOR 0	0.	0.	0.
See List of Officers, Etc Statement		77,000.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No

If 'Yes,' attach schedule – see instructions.

Part VI Other Information (See instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		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.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	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?		X
81a	Enter direct and indirect political expenditures See line 81 instructions <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81b	Did the organization file Form 1120-POL for this year?		X
82a	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
82b	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)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?		
85b	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		
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	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?		
86a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86b	Gross receipts, included on line 12, for public use of club facilities		
87a	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)		
88	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		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
89b	501(c)(3) and 501(c)(4) organizations 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		X
89c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
89d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90a	List the states with which a copy of this return is filed <u>INDIANA</u>		
90b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)		1
91	The books are in care of <u>TRACIE SHARP</u> Telephone number <u>(510) 965-9700</u> Located at <u>6255 ARLINGTON BLVD, RICHMOND CA</u> ZIP + 4 <u>94805-1601</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		

Part VII Analysis of Income-Producing Activities (See 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 CONFERENCE FEES					4,990.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	2,905.	
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 pers prop					
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 _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				2,905.	4,990.
105 Total (add line 104, columns (B), (D), and (E))					7,895.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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)
93a	CONFERENCE FEES FOR PUBLIC POLICY WORKSHOPS OFFERED TO STATE BASED PUBLIC POLICY ORGANIZATIONS AND INTERESTED MEMBERS OF THE GENERAL PUBLIC.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions.) N/A

(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
	%			
	%			
	%			
	%			

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

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 information furnished by taxpayer.
 Signature of officer: *Tracie J. Sharp*
 Type or print name and title: *Tracie J. Sharp*

Paid Preparer's Use Only
 Preparer's signature: *David C. Bumbhardt*
 Firm's name (or yours if self-employed) address, and ZIP + 4: RICHARD L. HENDERSHOT, CPA, P.C.
 7525 PRESIDENTIAL LANE
 MANASSAS

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust
Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

2003

Name of the organization

STATE POLICY NETWORK

Employer identification number

57-0952531

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See 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 and deferred compensation	(e) Expense account and other allowances
NONE				

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

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See 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 ▶	None	

Part III Statements About Activities (See instructions)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any 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 . . . ▶ \$ _____</p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>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.</p>		X
<p>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, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</p>		
<p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>	X	
<p>4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>		X

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is: (Please check only **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)(iii). Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a 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.)
- 11b 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 businesses 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 supports organizations described in: (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

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

N/A

	Yes	No
29 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?		
30 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 admissions, programs, and scholarships?		
31 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.) ----- ----- -----		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d 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.) ----- -----		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement.) ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 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 instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any 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 **c** 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 **c** through **h**.)

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

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

**Depreciation and Amortization
(Including Information on Listed Property)**

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

Name(s) shown on return

STATE POLICY NETWORK

Identifying number

57-0952531

Business or activity to which this form relates

Form 990 / Form 990EZ

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 instructions for a higher limit for certain businesses	1	\$100,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004 Add lines 9 and 10, less line 12	13	

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)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	904.

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 2003	17	724.
18	If you are electing under section 168(i)(4) 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 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		7,082.	3.0 yrs	HY	SL	1,180.
b 5-year property		1,545.	5.0 yrs	HY	SL	155.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
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 instructions	22	2,963.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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 instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If 'Yes,' is the evidence written? Yes 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 depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use (see instructions):
27 Property used 50% or less in a qualified business use (see instructions):
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 29

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 to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles - see instructions) (a) Vehicle 1 (b) Vehicle 2 (c) Vehicle 3 (d) Vehicle 4 (e) Vehicle 5 (f) 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
35 Was the vehicle used primarily by a more than 5% owner or related person? Yes No
36 Is another vehicle available for personal use? Yes No

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)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See 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)
Note: 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
42 Amortization of costs that begins during your 2003 tax year (see instructions):
43 Amortization of costs that began before your 2003 tax year 43
44 Total. Add amounts in column (f). See instructions for where to report 44

Federal 990 Depreciation Report
Regular Tax

Activity Form 990 / Form 990EZ - 2003

Total cost of goods sold

Description	In Service	Cost	Land	Bus %	Type	Class	Conv	Depr
Cost of Goods Sold	Disposed	Basis	Sec. 179	Listed	Mthd	Life	Year	Prior
COMPUTER SOFTWARE	07/10/01	2,712.		100.00	NP		HY	904.
		2,712.			SL	3.00	3	1,489.
COMPUTER	04/05/02	2,896.		100.00	MACRS	5	HY	579.
		2,896.			SL	5.00	2	290.
PRINTER	05/07/02	422.		100.00	MACRS	5	HY	84.
		422.			SL	5.00	2	42.
FAX MACHINE	05/07/02	303.		100.00	MACRS	5	HY	61.
		303.			SL	5.00	2	30.
COMPUTER	02/07/03	4,735.		100.00	MACRS	3	HY	789.
		4,735.			SL	3.00	1	0.
DESK AND FILING CABINETS	03/10/03	1,545.		100.00	MACRS	5	HY	155.
		1,545.			SL	5.00	1	0.
LCD	09/08/03	2,347.		100.00	MACRS	3	HY	391.
		2,347.			SL	3.00	1	0.
Total		<u>14,960.</u>						<u>2,963.</u>
		<u>14,960.</u>						<u>1,851.</u>

Federal 990 Depreciation Report
Alternative Minimum Tax

Activity Form 990 / Form 990EZ - 2003

Passive adjustment

Passive preference

Description	Real	Passive	AMT Cost	AMT Life	AMT Depr	AMT Adj
			AMT Basis	AMT Mthd	AMT Prior	AMT Pref
COMPUTER SOFTWARE	<input type="checkbox"/>	<input type="checkbox"/>	2,712.	3.00	904.	0.
			2,712.	SL	1,489.	
COMPUTER	<input type="checkbox"/>	<input type="checkbox"/>	2,896.	5.00	579.	0.
			2,896.	SL	290.	
PRINTER	<input type="checkbox"/>	<input type="checkbox"/>	422.	5.00	84.	0.
			422.	SL	42.	
FAX MACHINE	<input type="checkbox"/>	<input type="checkbox"/>	303.	5.00	61.	0.
			303.	SL	30.	
COMPUTER	<input type="checkbox"/>	<input type="checkbox"/>	4,735.	3.00	789.	0.
			4,735.	SL	0.	
DESK AND FILING CABINETS	<input type="checkbox"/>	<input type="checkbox"/>	1,545.	5.00	155.	0.
			1,545.	SL	0.	
LCD	<input type="checkbox"/>	<input type="checkbox"/>	2,347.	3.00	391.	0.
			2,347.	SL	0.	
Total			<u>14,960.</u>		<u>2,963.</u>	<u>0.</u>
			<u>14,960.</u>		<u>1,851.</u>	

Form 4562

Special Depreciation Allowance ReportActivity: Form 990 / Form 990EZ - 2003

Description	In Service	AMT Cost	AMT Basis	AMT SDA	Cost	SDA Basis	SDA
COMPUTER SOFTWARE	07/10/01	2,712.			2,712.		
COMPUTER	04/05/02	2,896.			2,896.		
PRINTER	05/07/02	422.			422.		
FAX MACHINE	05/07/02	303.			303.		
COMPUTER	02/07/03	4,735.			4,735.		
DESK AND FILING CABINETS	03/10/03	1,545.			1,545.		
LCD	09/08/03	2,347.			2,347.		
Total		<u>14,960.</u>			<u>14,960.</u>		

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<u>DUES & SUBSCRIPTIONS</u>	<u>3,617.</u>	<u>1,054.</u>	<u>873.</u>	<u>1,690.</u>
<u>ELECTRONIC COMM'S-WEB</u>	<u>10,863.</u>	<u>8,510.</u>	<u>2,353.</u>	<u>0.</u>
<u>PROJECT EXPENSE</u>	<u>21,646.</u>	<u>21,646.</u>	<u>0.</u>	<u>0.</u>
Total	<u>36,126.</u>	<u>31,210.</u>	<u>3,226.</u>	<u>1,690.</u>

Form 990, Page 4, Part V

List of Officers, Etc. Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
<u>ROBERT W. POOLE, JR</u> <u>LOS ANGELES, CA 90034</u>	<u>DIRECTOR</u> <u>0</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
<u>LAWRENCE W. REED</u> <u>MIDLAND, MI 48640</u>	<u>DIRECTOR</u> <u>0</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
<u>TRACIE SHARP</u> <u>RICHMOND, CA 94805</u>	<u>PRESIDENT</u> <u>40</u>	<u>77,000.</u>	<u>0.</u>	<u>0.</u>
<u>GAYLORD SWIM</u> <u>OREM, UT 84058</u>	<u>DIRECTOR</u> <u>0</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
Total		<u>77,000.</u>	<u>0.</u>	<u>0.</u>

Part II-Grants and Allocation Schedule

Name and Address	Amount	Purpose
Pacific Research Institute 755 Sansome St, Ste 450, San Francisco, CA 94111	\$ 50,000	Regulatory reform policy research
Kansas Policy Research Institute 827 SW Topeka Blvd , Topeka, KS 66612	\$ 17,500	Regulatory reform policy research
Illinois Policy Institute 718 S Seventh St , Ste 305, Springfield, IL 62703	\$ 7,500	Health care policy research
Maryland Public Policy Institute PO Box 195, Germantown, MD 20875	\$ 7,500	Health care policy research
Nevada Policy Research Institute 2073 East Sahara, Ste B, Las Vegas, NV 89104	\$ 7,500	Health care policy research
South Carolina Policy Council 1323 Pendleton St , Columbia, SC 29201	\$ 7,500	Health care policy research
Buckeye Institute 4100 North High Street, Ste 200, Columbus, OH 43214	\$ 5,000	Health care policy research
Georgia Public Policy Foundation 6100 Lake Forrest Dr , Ste 110, Atlanta, GA 30328	\$ 5,000	Health care policy research
Mackinac Center for Public Policy PO Box 568, Midland, MI 48640	\$ 4,500	Health care policy research
Texas Public Policy Foundation 411 Brazos St , Ste 99, Austin, TX 78701	\$ 3,000	Health care policy research
Flint Hills Center for Public Policy 2542 North Plumthicket Cir, Wichita, KS 67226	\$ 2,500	Health care policy research
Grassroot Institute of Hawaii 1413 South King St., Ste 1163, Honolulu, HI 96814	\$ 2,500	Health care policy research
Goldwater Institute 500 East Coronado Rd , Phoenix, AZ 85004	\$ 2,000	Health care policy research
Total Grants and Allocations.	<u>\$ 122,000</u>	